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Elena Kagan News 2 [3]

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U.S. Newswire, June 27, 1997

what the President asked us to do.

Our goal is to find out whether this proposal will improve the public health and at what cost. And the cost implications are not just financial. They're implications for the way in which the government does its business and the way it organizes its business in relationship to an industry in this country.

Q Do you have any preliminary view?

SECRETARY SHALALA: No. And it's interesting. We don't because it's a complex proposal, and I think that even I, who normally has a view, an initial view from reading something, I do not. In some ways, the first people that have read this have read it for the five or six things that they have deep concerns about. We're reading it differently. We're going to take a comb and comb right through it.

For instance, the Treasury people will want to look at every pot of money and ask a series of questions. Our regulatory people want to look at the regulatory framework. We want to look at whether it's enforceable. We don't -- this proposal doesn't have an enforcement mechanism in it. We have to think about, how would you enforce this on a private company.

That's why our approach, we believe, serves the public interest and makes certain that the President has the answer to every question anyone might possibly ask. It took us a year of very detailed work, once we decided to go ahead, to develop the FDA regulations that we currently have, and took a multi-disciplinary team. In my own department, every part of the development will be involved: from the National Institutes of Health, to the CDC, to the General Counsel's Office, to the substance abuse experts, to the FDA -- the same team that sat together for over a year -- more than 100 people we're involved -- to develop those regulations. We sat last night for five hours with a huge interdisciplinary team, just going through line by line to figure out how we're going to structure our work with these various committees. It's hard work.

Q Is 30 days enough?

SECRETARY SHALALA: You know, we don't know. Every President I know wants everything done in 30 days -- (laughter) --and we take our President seriously, with great passion. We will tell him where we are in 30 days. We'll try to meet any deadline that he sets for us, but this is hard work and not easy to do from a proposal, as opposed to a piece of legislation, that interrelates with other laws.

Q Do you feel that a lot of the areas that you describe as being only a sketch outline as opposed to detail were deliberately left in sketch outline --

SECRETARY SHALALA: No.

Q -- because they hadn't reached agreement on those areas?

SECRETARY SHALALA: No, not necessarily. I haven't come to any conclusion about motivation. It just could have been who was at the table at the time and what information they had, so I don't have any view on it.

Q One of the concerns that the President has expressed repeatedly now is this question of FDA's ability to regulate nicotine and cigarettes. Can you explain for us why that concern is there, what you have seen in the agreement thus far that causes you to have some concerns, and what the goal is, why it's

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so important that the FDA have that authority?

SECRETARY SHALALA: Well, I think that we go back to our original proposal, and that is, we exerted -- we had a major public health problem in this country that we basically have been attacking with a variety of different campaigns and without much leverage on the industry, that we believed was increasingly creating a problem with young people, without ascribing a direct connection between that. We had larger and larger numbers of young people starting to smoke. Three thousand a day. A very scary proposition for the public health.

What authority did the federal government have to do something about that? It turned out it was the regulatory authority of the FDA as a way in which we began to move on a major public health problem. It wasn't the CDC; it happened to be the FDA. And therefore that has been the most powerful instrument that we have had to attack a public health issue.

In this proposal, to be fair to them, they seem to change the way in which the FDA does its business. Some people have said it's a negative, but when we looked at it there is a positive part to. It looks like they expand some authority. We need to look at the balance of that and whether it changes the power equation and the authority equation. And I think that's about as far as I would go without looking at the analysis my folks are doing.

Q And then how does the process work from there? Do you go back to the negotiators with your concerns, or do you go to the Hill? Or what --

SECRETARY SHALALA: Oh, I think that this has been sent to the President --

MR. REED: And to the world.

SECRETARY SHALALA: -- and to the world and to the Congress. And everyone is going to look at it. The important thing is that these were in fact private negotiations that now are in the public. Some of them are requests to change federal law and to change the way we do business. That requires that the Congress pass laws, the President express an opinion, decide whether he's prepared to change some of those laws.

Q Are any of these groups going to take a look at the fees that the plaintiff lawyers would get --

SECRETARY SHALALA: Once you put this into the public arena, everybody is going to look at everything -- on what's appropriate and who's paying them.

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Federal News Service, JUNE 27, 1997

JUNE 27, 1997, FRIDAY

SECTION: WHITE HOUSE BRIEFING

LENGTH: 3660 words

HEADLINE: NEWS BRIEFING WITH DONNA SHALALA, SECRETARY,
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES,
AND BRUCE REED, ASSISTANT TO THE PRESIDENT, DOMESTIC POLICY COUNCIL
SUBJECT: ADMINISTRATION STUDY OF PROPOSED TOBACCO DEAL

BODY:

MR. REED: Good afternoon. I am Bruce Reed, assistant to the president for domestic policy. And I am going to talk just for a minute about this process -- I think you have a piece of paper in front of you that basically describes everything I am about to say.

Q No.

Q We don't --

Q We don't --

MR. REED: You don't?

Q Just thought I'd let you know.

MR. REED: Very good. Thank you.

Q What is it supposed to say?

MR. REED: I want to make sure you get that piece of paper so you don't actually have to listen to what I say.

Q Sir, what are you talking about -- a piece of paper -- what are you talking about? (Groans, cross talk.)

MR. REED: It's coming. I promise. (Laughs.)

Would you like me to stall, or are you willing to wait?

Q We're willing to listen.

Q We'll take some (to you ?).

MR. REED: Okay. Well, I'll go over some of the high points. (Laughter.)

Q (Off mike) -- been in your (beds ?) for about -- I'll go get some.

(Laughter).

Q (You ?) were never told --

Q Well, wasn't it in the back of the (word inaudible) briefing? (Cross talk.)

Q Go ahead, Bruce. Please.

MR. REED: Okay.

Basically, the president has asked Secretary Shalala and me to lead an interagency review of the proposed tobacco settlement. And this is going to be a thorough public-health review that will involve a number of agencies and departments here within the White House. I think there are about 10 agencies involved and several White House offices. We have a great deal of expertise -- Q Pardon me, sir. But is this the beginning of a new national health act, or what?

MR. REED: No, this is --

Q Or is this the beginning of a new national health program?

MR. REED: No. We are simply going to spend the next month reviewing the proposed tobacco settlement that was reached between the attorneys general and the tobacco industry last week.

There'll be about a little over 50 senior people from around the government involved, and the review is going to focus on four basic areas of the proposal. First, there'll be a panel looking at regulatory issues. This is an area that the president just talked about at the bill-signing event.

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It'll look, principally, at the FDA's authority to regulate nicotine, as well as access advertising and labeling. It will also look at another element of the settlement, which is a proposal to limit environmental tobacco smoke in the work place. And the regulatory team is convened by Elena Kagan, who is my deputy here at the White House. It involves people from HHS, the Justice Department, FDA, and consists in large part of the lawyers and public-health experts who put together the FDA rule in the first place, which the president proposed in August of last year.

A second team will focus on the program and budget issues; the proposed uses of the settlement funds, including programs to reduce smoking and to provide children's health insurance. This team is made up of our top health policy experts. The meetings will be convened by Chris Jennings, from here at the White House, who many of you know. It also includes Nancy-Ann Min from OMB, Bruce Vladeck from HHS, and several other top people from HHS.

A third group will be the legal team, focusing on legal issues. This one also will be convened by Elena Kagan. And it'll focus on the provisions on liability and damages and document disclosure, as well as other broader constitutional and legal questions about the proposal. And many members of this team are the same lawyers who helped build the legal case that secured the historic court victory in Greensboro on the FDA authority.

And then a fourth team will look at industry performance and accountability, primarily the economic impact of the proposal on industry performance and federal revenues and consumers and farmers and so on. This is the group that will look at the proposed incentives and penalties for reducing smoking, that are part of this settlement. It'll look at impacts on the price of tobacco, on consumption. And the Council on (sic) Economic Advisers will play a leading role in this group.

All of these groups have met in the past week. We are going to continue meeting over the next several weeks. And at the same time, we are going to have a comprehensive public outreach effort, particularly to public-health experts and to the public-health community.

We will be working closely with a number of our allies in the effort to reduce smoking, including Doctors Koop and Kessler, and the major public health advocacy groups.

And at the same time, we'll be spending a lot of time reaching out to members of Congress who obviously have a great interest in this proposal.

Q What's the goal of all of this?

MR. REED: Well, let me stop there and give Donna a chance to make a brief statement.

SEC. SHALALA: Let me just say a couple of things, and then I'll answer Helen's question. We wouldn't be here discussing this if the president hadn't already exerted bold leadership in this area of trying to reduce the number of children who start smoking in the first place, and putting a regulatory framework in place over the issue of tobacco.

The review process we've just launched is rigorous and it's thorough. It requires interdisciplinary depth, and very sophisticated analysis. This -- we have not been handed a piece of legislation. We've been handed a proposal which has ideas, some of which are in great detail and others which are sort of the outlines.

What we need to do is to ask about that proposal, how it sits within existing law. Does it extend the regulatory framework, and the power of the federal government? What role would the federal government play, in relationship to cigarettes, for example.

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We need to ask: how is it balanced? How would it be implemented? Is it enforceable. How does it sit, again, within the existing framework of a set of laws that we now -- and regulations -- that we now operate under. What is the impact on the economy? There's been a discussion about how much money it is, but who pays for this proposal? Is it the stockholders? Is it individuals, because taxes will go up on cigarettes? Is it the broader taxpayers, because some might be deductible under current laws?

And finally, does it meet our public health objectives? We have been very clear about our public health objectives. Cigarettes kill people. In particular, we know that if a youngster doesn't start smoking before they're 18, they're less likely to begin smoking.

Eighty percent of the people who smoke in this country started as teenagers. Our goal has been to reduce the number of teenagers. So the public health implications are very broad and central to what the president asked us to do. Our goal is to find out whether this proposal will improve the public health, and at what cost? And the cost implications are not just financial. There are implications for the way the government does its business, and the way it organizes its business, in relationship to an industry in this country.

Q Do you have any preliminary view?

SEC. SHALALA: No, and it's interesting. We don't, because it's a complex proposal, and I think that even I, who normally has a view, an initial view from reading something, I do not.

In some ways, the first people that have read this, have read it for the five or six things that they have deep concerns about. We are reading it differently. We're going to take a comb, and comb right through it.

For instance, the Treasury people will want to look at every pot of money and ask a series of questions. Our regulatory people want to look at the regulatory framework. We want to look at whether it's enforceable. We don't -- we don't -- this proposal doesn't have an enforcement mechanism in it. We have to think about how would you enforce this on a private company.

That's why our approach, we believe, is -- serves the public interest, and makes certain that the president has the answer to every question anyone might possibly ask.

It took us a year of very detailed work, once we decided to go ahead to develop the FDA regulations that we currently have, and took a multidisciplinary team. In my own department, every part of the department will be involved, from the National Institutes of Health, to the CDC, to the general counsel's office, to the substance abuse experts, to the FDA -- the same team that sat together for over a year -- more than 100 people were involved to develop those regulations.

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Q It's 30 days and up?

SEC. SHALALA: You know, we don't know. Every president I know wants everything done in 30 days. (Laughter.) And we take our president seriously, with great passion. We will tell him where we are in 30 days. We'll try to meet any deadline that he sets for us. But this is hard work and not easy to do, from a proposal, as opposed to a piece of legislation that interrelates with other laws.

Q Did you feel that a lot of the areas that you described as being only in "sketch outline," as opposed to detail, were deliberately left in a sketch outline --

SEC. SHALALA: No.

Q -- because they hadn't reached agreement on --

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SEC. SHALALA: No, no. Not necessarily. I haven't come to any conclusion about motivation. You know, it just could have been who was at the table at the time and what information they had. So I don't have any view on it.

Q One of the concerns that the president has expressed, repeatedly now, is this question of FDA's ability to regulate nicotine in cigarettes. Can you explain for us why that concern is there? what you have seen in the agreement, thus far, that causes you to have some concerns, and what the goal is? I mean, why it's so important that the FDA have that authority?

SEC. SHALALA: Well, I think that we go back to our original proposal, and that is we exerted -- we had a major public-health problem in this country, that we basically have been attacking with a variety of different campaigns and without much leverage on the industry that we believed was increasingly creating a problem with young people. Without ascribing direct connection between that, we had larger and larger numbers of young people starting to smoke -- 3,000 a day -- a very scary proposition for the public health.

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Q And then how does the process work from there? Do you go back to the negotiators with your concerns, do you go to the Hill? Or what --

SEC. SHALALA: Oh, I think that this has been sent to the president --

MR. REED: -- and to the world.

SEC. SHALALA: -- and to the world, and to the Congress. And everyone's going to look at it. The important thing is that these were, in fact, private negotiations that now are in the public. Some of them are a request to change federal law, and to change the way we do business. That requires that the Congress pass laws, the president express an opinion, decide whether he's prepared to change some of those laws.

Q Are any of these groups going to take a look at the fees that the lawyers were getting for this settlement?

SEC. SHALALA: I -- once you put this into the public arena, everybody's going to look at everything, on what's appropriate and who's paying them.

Q All right. Because it wasn't mentioned as part of the --

MR. REED: Well, there's nothing in the settlement about fees.

SEC. SHALALA: I think it was done as a separate arrangement. But that doesn't mean that the groups that are coming in to advise us aren't going to make some comment on that. It's now in the public arena, and there will be lots of commentary.

Q Secretary Shalala, will the department take on this --

(Cross talk) Q -- very, very contentious between --

SEC. SHALALA: Oh --

Q Sorry.

SEC. SHALALA: -- why don't you go ahead, and then I'll take the next one. Go ahead.

Q Are you enthusiastic about this, or is it -- is this a -- a heavy burden that you have to slog through?

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SEC. SHALALA: Let me tell you what I told my colleagues the night before last as we sat down for the five-hour kind of line by line review. I said that when the president took the step on FDA regulations, I told them that this was the chance of a lifetime, that once in your career you get to take a step in an area of public health that is so dramatic and so significant, in terms of its implications for the public health.

And I said to them, "I never thought we'd get another kick at the can." And there was -- if there was any possibility that we could take another giant step for the public health, we should not shirk from at least taking a look to see if there was a possibility. We go into this looking for another opportunity to take a strong step for public health, but with the same kind of hardnosed rigor that we brought the first time around, when everybody said to us not a chance, the president is going into an election, there's not a chance that anyone is going to take this kind of step.

Back there.

Q How do you -- how do you get past the fact that there were all kinds of parliamentary tactics being invoked yesterday during the initial hearing to stall it, to kill it? How are you going to get any sense of cooperation out of the Congress, when they themselves can't even -- in this process, when they, even among themselves can't even agree how to do it?

SEC. SHALALA: Well, I'd say each to its own style in terms of a review. We're going to take a look at, analytically, tough-minded, without revealing our hand early on. The Congress is going to go through a public process -- public reviews. We are going to, obviously, bring in people to give us their opinion. And, at the end of the day, I would expect the Congress to do the same thing the president's going to do, and that is give it the tough-minded review that the work that was done deserves.

(Consults off mike.)

Q Does the Supreme Court asbestos decision mean that you are looking more closely at having to do something in Congress, that you really need to get a proposal through Congress that you can live with, as opposed to going through litigation and the courts?

SEC. SHALALA: Oh, I think -- no, we will not do anything in our review that will undermine what we believe is the very strong case that we have on the FDA regulations. So anything that we say or do, as part of this review, will not undermine our determination to go forward. We believe that what we have done is legal, that the FDA has the authority, that we have not undermined the First Amendment. And we intend to go forward with that case.

Q Secretary Shalala, from all the voices we have heard, this is definitely a very contentious and controversial issue. I don't think King Solomon could probably solve it. But which way can you guarantee that the position -- the executive or the White House comes down won't be seen as a political position, that you'll have enough backing that people will think your study is a valid one?

SEC. SHALALA: Oh, I think the president has a record that we're building on, in children's health.

He's made fundamental, tough decisions -- one of the toughest decisions any president has ever made to go forward on the issue of tobacco and children by putting the FDA regulations. We have credibility on this issue because we've stepped forward, we did it, we did it in the middle of an election year when everybody said, "Can you believe that anyone would make this kind of decision?" And the president believes deeply that the fundamental question we ought to ask is: Will the public health be improved if we do something related to what the

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proposal is?

Q Is there anyone who's cautioning within the administration, or voices from outside advising you saying, "We ought not tinker with this too much because it was a carefully constructed deal and the tobacco companies might just walk away and that's not what we want." Or is the view more, "Hey, we're going to take a long, hard look at this and, you know, they can do whatever they want after the fact."

SEC. SHALALA: Everyone -- everyone is saying everything! (Laughter.) All of the above. I'm saying let's be cautious and let's be rigorous. They're saying, "Well, if you tinker with it too much" -- but that's what people always say when they bring you a piece of legislation -- "We've got this very carefully constructed coalition."

It's not new for us. People bring us proposals all the time, usually not as complex as this one, and we say we're going to look at it through the clearest eyes that we possibly can because we have a responsibility to the public and we're going to do it in public.

Q Well let me ask you, how seriously do you take their threats to -- if you change it too much, we're going to take our -- you know -- stuff and go home?

SEC. SHALALA: I just -- I think that we shouldn't comment on that because what we want to do is to do what the president has said. We want to make a very rigorous -- take a very rigorous look at this.

Q Well, are you tinkering or just judging at this stage?

SEC. SHALALA: I think we're taking a very rigorous look at this proposal. And you'll be the judge when the president decides what he wants to do.

Q Did the negotiators know you were going to do that, I mean when they -- SEC.

SHALALA: Yes. The president announced it -- the president announced it before the negotiations were finished; the president announced that it would be put through a rigorous review by this administration.

Q But to come back to my question, do you see at the end of the process of 30, or whatever number of days it is, that you will have just said, "This works for us, or this doesn't, or this part" -- or will you be saying, "This doesn't work for us, but this would if you" --

SEC. SHALALA: I don't know the answer to that question because we haven't finished our review.

That's for a later point.

Q Is there any polling taking place to determine public attitude on this settlement as it stands?

SEC. SHALALA: I don't know of any polling. (Speaking aside) Do you know of any polling? I'm sure that -- my guess is because the issue's out there that there may be some public polling by the big polling agencies, but I'm not doing any polling. We know what the polls are and the public's attitude about children and tobacco.

Q One follow-up on that. What sort of role would there be for Mr. Moore and some of the tobacco -- and others, like tobacco representatives such as Mr. Koplow in this review process?

SEC. SHALALA: Well, you know, we may have some questions for them, I would think, about what did you mean by this. There is some language used in this that -- for instance, in the first review, even some of my lawyers weren't quite sure what a national protocol meant. I meant, there was just some language -- I'm sure we'll be asking questions. I'm sure they'll want to talk to us and tell us what they were trying to achieve. I'm sure they'll want to pitch us on how delicate it is, and the fact is that we're open, as we have always been, on any proposal that comes to us.

Q How seriously are you taking Kessler and Koop's criticism of the FDA

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restrictions? Are they going to be advising your group?

SEC. SHALALA: The president has indicated that the Koop-Kessler committee will be listened to carefully. David Kessler has long been an associate of ours. He and (Chick ?) Koop are the leading spokespeople on these issues, that have been leaders in changing the role of the federal government. Their views will be taken very seriously. And --

Q And they say it's unacceptable.

SEC. SHALALA: -- we've already talked to -- they said that parts of this agreement are unacceptable, including the FDA piece. But you heard the president. He wants to make sure there is an FDA regulatory framework that's firm and as clear as what we currently believe we have.

Q I mean, do you think it's within your mandate when you're doing this review -- as it must have already been discussed -- that you can do the review and make recommendations about regulation, et cetera? And when you're making that study, are you going to be looking at regulation vis-a-vis enforceability? I mean, you've had experience with this with the drug war.

SEC. SHALALA: I think that we're pragmatic about this. We need to know whether this works, what does it cost, what's the balance between -- do we have to give anything up, what are we gaining? I mean, we're looking at it as we would any complex piece of legislation in terms of its impact. How does it interrelate? What are the new roles and responsibilities? What are the new regulatory frameworks? This proposal has a huge framework over retail business. It has implications for advertising, for the agriculture people, for everybody that sells a cigarette in the United States. It has a new framework for that.

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June 27, 1997, Friday

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BODY:

TOBACCO SETTLEMENT

JUNE 27, 1997

Elapsed Time 00:00, Eastern Time 13:13

SPEAKERS: BRUCE REED, ASSISTANT TO THE PRESIDENT FOR

DOMESTIC POLICY DONNA SHALALA, SECRETARY OF HEALTH AND HUMAN

SERVICES

REED: Good afternoon. I'm Bruce Reed, assistant to the president for domestic policy and I'm going to talk just for a minute about this process. I

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think you have a piece of paper in front of you that basically describes everything I'm about to say.

QUESTION: We don't. We don't. REED: You don't?

QUESTION: (OFF-MIKE)

REED: Very good. Thank you. I want to make sure you get that piece of paper so you don't actually have to listen to what I say.

QUESTION: Sir, what are you talking about, a piece of paper? What are you talking about?

REED: It's coming. I promise. Would you like me to stall, or are you willing to wait?

QUESTION: We're willing to listen. We'll take some jokes.

REED: Well, I'll go over some of the high points.

QUESTION: (OFF-MIKE)

(LAUGHTER)

REED: OK. Basically, the president has asked Secretary Shalala and me to lead an inter-agency review of the proposed tobacco settlement and this is going to be a thorough public health review that will involve a number of agencies and departments here within the White House.

Elapsed Time 00:01, Eastern Time 13:14

I think there are about 10 agencies involved and several White House offices. We have a great deal of expertise.

QUESTION: Pardon me, sir, but is this beginning of a new health act -- national health act, or what?

REED: No, this is...

QUESTION: Is it the beginning of a new national health program?

REED: No. We are simply going to spend the next month reviewing the proposed tobacco settlement that was reached between the attorneys general and the tobacco industry last week.

There will be about -- a little over 50 senior people from around the government involved and the review is going to focus on four basic areas of the proposal.

Elapsed Time 00:02, Eastern Time 13:15

First, there will be a panel looking at regulatory issues. This is an area that the president just talked about at the bill-signing event. It will look principally at the FDA's authority to regulate nicotine, as well as access advertising and labeling.

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It will also look at another element of the settlement which is a proposal to limit environmental tobacco smoke in the work place, and the regulatory team is convened by Elena Kagan, who is my deputy here at the White House.

It involves people from HHS, the Justice Department, FDA, and consists, in large part, of the lawyers and public health experts who put together the FDA rule in the first place which the president proposed in August of last year.

The second team will focus on the program and budget issues, the proposed uses of the settlement funds, including programs to reduce smoking, and to provide children's health insurance.

Elapsed Time 00:03, Eastern Time 13:16

This team is made up of our top health policy experts. The meetings will be convened by Chris Jennings from here at the White House, who many of you know. It also includes Nancy Ann Min from OMB, Bruce Vladeck from HHS and several other top people from HHS.

REED: A third group will be the legal team, focusing on legal issues. This one will also be convened by Elena Kagan and it will focus on the provisions on liability and damages and document disclosure, as well as other broader constitutional and legal questions about the proposal.

And many members of this team are the same lawyers who helped build a legal case that secured the historic court victory in Greensboro on the FDA authority.

Elapsed Time 00:04, Eastern Time 13:17

And then a fourth team will look at industry performance and accountability, primarily the economic impact of the proposal on industry performance and federal revenues and consumers and farmers and so on. This is the group that will look at the proposed incentives and penalties for reducing smoking that are part of this settlement.

It will look at impacts of the price of tobacco on consumption. And the Council of Economic Advisers will play a leading role in this group.

All of these groups have met in the past week. We're going to continue meeting over the next several weeks. And at the same time, we're going to have a comprehensive public outreach effort, particularly to public health experts and to the public health community.

Elapsed Time 00:05, Eastern Time 13:18

We will be working closely with a number of our allies in the effort to reduce smoking, including Doctors Koop and Kessler, and the major public health advocacy groups.

And at the same time, we'll be spending a lot of time reaching out to members of Congress who obviously have a great interest in this proposal.

QUESTION: What's the goal of all of this?

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REED: Well, let me stop there and give Donna a chance to make a brief statement.

SHALALA: Let me just say a couple of things and then I'll answer Helen's question.

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Elapsed Time 00:06, Eastern Time 13:19

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QUESTION: Is the department take on this merely making it (OFF- MIKE)?

QUESTION: Yesterday's hearing was very contentious between...

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SHALALA: Why don't you go ahead and then I'll take the next one. Go ahead.

QUESTION: Are you enthusiastic about this? Or is it -- is this a heavy burden that you have to slog through?

SHALALA: Let me tell you what I told my colleagues the night before last as we sat down for the five-hour kind of line-by-line review.

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I said that when the president took the step on FDA regulations, I told them that this was a chance of a lifetime, that once in your career, you get to take a step in an area of public health that is so dramatic and so significant in terms of its implications for the public health.

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Back there.

Elapsed Time 00:15, Eastern Time 13:28

QUESTION: How do you get past the fact that were are all kinds of parliamentary tactics being invoked yesterday during the initial hearing to

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stall it, to kill it? How are you going to get any sense of cooperation out of the Congress when they themselves can't even -- in this process, when they themselves can't even agree how to do it?

SHALALA: Well, I'd say each in its own style in terms of a review. We're going to take a look at it analytically, tough-minded, without revealing our hand early on. The Congress is going to go through a public process, public reviews.

We're going to, obviously, bring in people to give us their opinion. And at the end of the day, I would expect the Congress to do the same thing the president's going to do, and that is give it the tough-minded review that the work that was done deserves.

QUESTION: Does the Supreme Court asbestos decision mean that you are looking more closely at having to do something in Congress? That you really need to get a proposal through Congress that you can live with? As opposed to going through litigation in the courts?

Elapsed Time 00:16, Eastern Time 13:29

SHALALA: Oh, I think -- no. We will not do anything in our review that will undermine what we believe is the very strong case that we have on the FDA regulations. So anything that we say or do as part of this review will not undermine our determination to go forward.

We believe that what we have done is legal, that the FDA has the authority, that we have not undermined the First Amendment, and we intend to go forward with that case.

QUESTION: Secretary Shalala, of all the voices we've heard, this is definitely a very contentious and controversial issue. I don't think King Solomon could probably solve it, but which way can you guarantee that the position executive of the White House comes down, won't be seen as a political decision? That you'll have enough backing that people will think your study is a valid one?

Elapsed Time 00:17, Eastern Time 13:30

SHALALA: Oh, I think the president has a record that we're building on in children's health. He's made fundamental tough decisions. One of the toughest decisions any president has ever made to go forward on the issue of tobacco and children by putting the FDA regulations.

We have credibility on this issue, because we've stepped forward, we did it -- we did it in the middle of an election year, when everybody said, can you believe that anyone would make this kind of decision. And the president believes deeply that the fundamental question we ought to ask is, will the public health be improved if we do something related to what the proposal is.

QUESTION: Is there anyone who is cautioning within the administration, or voices from outside advising you, saying we ought not tinker with this too much? Because it was a carefully constructed deal, and the tobacco companies might just walk away. And that's not what we want.

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Or is the view more, hey, we're going to take a long, hard look at this, and -- you know -- they can do whatever they want after the fact?

SHALALA: Everyone. Everyone is saying everything.

(LAUGHTER)

Elapsed Time 00:18, Eastern Time 13:31

All of the above. I'm saying, let's be cautious, and let's be rigorous. They're saying, well, if you tinker with it too much -- but that's what people always say when they bring you a piece of legislation.

We've got this very carefully constructed coalition. It's not new for us. People bring us proposals all the time, usually not as complex as this one. And we say, we're going to look at it through the clearest eyes that we possibly can, because we have a responsibility to the public and we're going to do it in public.

QUESTION: Well, let me ask you this -- just how seriously do you take their threats to -- if you change it too much, we're going to take our -- you know -- stuff and go home?

SHALALA: I just -- I think that we shouldn't comment on that, because what we want to do is to do what the president has said. We want to make a very rigorous -- take a very rigorous look at this.

QUESTION: Are you tinkering or just judging (OFF-MIKE)?

SHALALA: I think we're taking a very rigorous look at this proposal. And you'll be the judge when the president decides what he wants to do.

Elapsed Time 00:19, Eastern Time 13:32

QUESTION: (OFF-MIKE) know you were going to that? I mean, (OFF- MIKE)...

SHALALA: ... Yes, the president announced it -- the president announced it before the negotiations were finished. The president announced that it would be put through a rigorous review by this administration.

QUESTION: But back to my question, do you see at the end of this process of 30 or whatever number of days it is, that you will have just said this works for us, or this doesn't, or this part -- or will you be saying this doesn't work for us, but this would if you...

SHALALA: ... I don't know the answer to that question, because we haven't finished our review. That's for a later point.

QUESTION: Is there any polling taking place to determine the public attitude on this settlement, as it stands?

SHALALA: I don't know of any polling. Do you know of any polling? I'm sure that -- my guess is because the issues out there, that there may be some public polling by the big polling agencies.

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SHALALA: But I'm not doing any polling.

We know what the polls are and the public's attitude about children and tobacco.

QUESTION: One follow up on that.

What sort of role would there be for Mr. Moore and some of the others, like tobacco representatives, such as Mr. Koplow, in this review process?

Elapsed Time 00:20, Eastern Time 13:33

SHALALA: Well, you know, we may have some questions for them, I would think, about what did you mean by this. There is some language used in this that, for instance in the first review, even some of my lawyers weren't quite sure what a national protocol meant.

I mean, there is some -- I'm sure we'll be asking them questions. I'm sure they'll want to talk to us and tell us what they were trying to achieve. I'm sure they'll want to pitch us on how delicate it is and the fact is that we're open, as we have always been, on any proposal that comes to us.

QUESTION: How seriously are you taking Kessler and Koop's criticism of the FDA restrictions? Are they going to be advising your group?

SHALALA: The president had indicated that the Koop-Kessler committee will be listened to carefully. David Kessler has long been an associate of ours. He and Chick Koop are the leading spokespeople on these issues and have been leaders in changing the role of the federal government.

Elapsed Time 00:21, Eastern Time 13:34

Their views will be taken very seriously. And...

QUESTION: But they say it's unacceptable.

SHALALA: We've already talked to -- they said that parts of this agreement are unacceptable, including the FDA piece. But you heard the president. He wants to make sure there's an FDA regulatory framework that's firm and as clear as what we currently believe we have.

QUESTION: I mean, do you think it's within your mandate when you're doing this review -- it must have already been discussed -- that you can do the review and make recommendations about regulation, et cetera? And when you're making this study, are you going to be looking at regulation vis-a-vis enforceability?

I mean, you've had experience with this with the drug war...

SHALALA: Right. Yes.

I think we're pragmatic about this. We need to know whether this works. What does it cost? What's the balance between -- do we have to give anything up? What are we gaining?

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Elapsed Time 00:22, Eastern Time 13:35

I mean, we're looking at it as we would any complex piece of legislation in terms of its impact. How does it interrelate? What are the new roles and responsibilities? What are the new regulatory frameworks?

This proposal has a huge framework over retail business. It has implications for advertising, for the agriculture people, for everybody that sells a cigarette in the United States. It has a new framework for that.

That's why you can't just go through six things like this. You really have to look at it with great care.

QUESTION: Where on this process do you address the overall question of whether it's tough enough on the tobacco industry? That's come up a lot in Congress.

SHALALA: Well, Bruce and I will be -- will be working on this. It's -- I think that the first way I look at this is does it substantially improve the public health? And then my second question is at what cost and at what price?

SHALALA: But we're -- we're really single-minded in this administration.

Elapsed Time 00:23, Eastern Time 13:36

We want to substantially improve the public health. We want to reduce the number of kids that start smoking in the first place, substantially, and does this -- we're going to look at this as it adds to what we've already done.

We've already set our goals. We've already put our regs in place. So that's the way...

QUESTION: Do you have some level in mind which would be, you know, punishment enough for the tobacco industry, you know, so good can come of it?

SHALALA: No. No. And you know, I don't know enough to answer those questions yet. You're asking for more detail before we've really gotten into it.

I think -- in fact, because I don't know much more than that, I think we've about run our space.

(LAUGHTER)

REED: Yes.

SHALALA: Thank you very much. Thank you.

LANGUAGE: ENGLISH

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June 27, 1997, Friday

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HEADLINE: HOLDS NEWS BRIEFING ON THE INTER-AGENCY REVIEW OF THE PROPOSED TOBACCO SETTLEMENT; WASHINGTON, D.C.

SPEAKER:
DONNA SHALALA, U.S. SECRETARY OF HEALTH AND HUMAN SERVICES

BODY:
NEWS BRIEFING ON THE INTER-AGENCY REVIEW OF THE PROPOSED
TOBACCO SETTLEMENT

JUNE 27, 1997

*** Elapsed Time 00:00, Eastern Time 13:13 ***

SPEAKERS: BRUCE REED, ASSISTANT TO THE PRESIDENT FOR
DOMESTIC POLICY

DONNA SHALALA, SECRETARY OF HEALTH AND HUMAN
SERVICES

*

REED: Good afternoon. I'm Bruce Reed, assistant to the president for domestic policy and I'm going to talk just for a minute about this process. I think you have a piece of paper in front of you that basically describes everything I'm about to say.

QUESTION: We don't. We don't.

REED: You don't?

QUESTION: (OFF-MIKE)

REED: Very good. Thank you. I want to make sure you get that piece of paper so you don't actually have to listen to what I say.

QUESTION: Sir, what are you talking about, a piece of paper? What are you talking about?

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REED: It's coming. I promise. Would you like me to stall, or are you willing to wait?

QUESTION: We're willing to listen. We'll take some jokes.

REED: Well, I'll go over some of the high points.

QUESTION: (OFF-MIKE)

(LAUGHTER)

REED: OK. Basically, the president has asked Secretary Shalala and me to lead an inter-agency review of the proposed tobacco settlement and this is going to be a thorough public health review that will involve a number of agencies and departments here within the White House.

*** Elapsed Time 00:01, Eastern Time 13:14 ***

I think there are about 10 agencies involved and several White House offices. We have a great deal of expertise.

QUESTION: Pardon me, sir, but is this beginning of a new health act -- national health act, or what?

REED: No, this is...

QUESTION: Is it the beginning of a new national health program?

REED: No. We are simply going to spend the next month reviewing the proposed tobacco settlement that was reached between the attorneys general and the tobacco industry last week.

There will be about -- a little over 50 senior people from around the government involved and the review is going to focus on four basic areas of the proposal.

*** Elapsed Time 00:02, Eastern Time 13:15 ***

First, there will be a panel looking at regulatory issues. This is an area that the president just talked about at the bill-signing event. It will look principally at the FDA's authority to regulate nicotine, as well as access advertising and labeling.

It will also look at another element of the settlement which is a proposal to limit environmental tobacco smoke in the work place, and the regulatory team is convened by Elena Kagan, who is my deputy here at the White House.

It involves people from HHS, the Justice Department, FDA, and consists, in large part, of the lawyers and public health experts who put together the FDA rule in the first place which the president proposed in August of last year.

The second team will focus on the program and budget issues, the proposed uses of the settlement funds, including programs to reduce smoking, and to provide children's health insurance.

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*** Elapsed Time 00:03, Eastern Time 13:16 ***

This team is made up of our top health policy experts. The meetings will be convened by Chris Jennings from here at the White House, who many of you know. It also includes Nancy Ann Min from OMB, Bruce Vladeck from HHS and several other top people from HHS.

REED: A third group will be the legal team, focusing on legal issues. This one will also be convened by Elena Kagan and it will focus on the provisions on liability and damages and document disclosure, as well as other broader constitutional and legal questions about the proposal.

And many members of this team are the same lawyers who helped build a legal case that secured the historic court victory in Greensboro on the FDA authority.

*** Elapsed Time 00:04, Eastern Time 13:17 ***

And then a fourth team will look at industry performance and accountability, primarily the economic impact of the proposal on industry performance and federal revenues and consumers and farmers and so on. This is the group that will look at the proposed incentives and penalties for reducing smoking that are part of this settlement.

It will look at impacts of the price of tobacco on consumption. And the Council of Economic Advisers will play a leading role in this group.

All of these groups have met in the past week. We're going to continue meeting over the next several weeks. And at the same time, we're going to have a comprehensive public outreach effort, particularly to public health experts and to the public health community.

*** Elapsed Time 00:05, Eastern Time 13:18 ***

We will be working closely with a number of our allies in the effort to reduce smoking, including Doctors Koop and Kessler, and the major public health advocacy groups.

And at the same time, we'll be spending a lot of time reaching out to members of Congress who obviously have a great interest in this proposal.

QUESTION: What's the goal of all of this?

REED: Well, let me stop there and give Donna a chance to make a brief statement.

SHALALA: Let me just say a couple of things and then I'll answer Helen's question.

We wouldn't be here discussing this if the president hadn't already exerted bold leadership in this area of trying to reduce the number of children who start smoking in the first place, and putting a regulatory framework in place over the issue of tobacco.

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The review process we've just launched is rigorous and it's thorough. It requires interdisciplinary depth, and very sophisticated analysis.

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Back there.

*** Elapsed Time 00:15, Eastern Time 13:28 ***

QUESTION: How do you get past the fact that there are all kinds of parliamentary tactics being invoked yesterday during the initial hearing to stall it, to kill it? How are you going to get any sense of cooperation out of the Congress when they themselves can't even -- in this process, when they themselves can't even agree how to do it?

SHALALA: Well, I'd say each in its own style in terms of a review. We're going to take a look at it analytically, tough-minded, without revealing our hand early on. The Congress is going to go through a public process, public reviews.

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We're going to, obviously, bring in people to give us their opinion. And at the end of the day, I would expect the Congress to do the same thing the president's going to do, and that is give it the tough-minded review that the work that was done deserves.

QUESTION: Does the Supreme Court asbestos decision mean that you are looking more closely at having to do something in Congress? That you really need to get a proposal through Congress that you can live with? As opposed to going through litigation in the courts?

*** Elapsed Time 00:16, Eastern Time 13:29 ***

SHALALA: Oh, I think -- no. We will not do anything in our review that will undermine what we believe is the very strong case that we have on the FDA regulations. So anything that we say or do as part of this review will not undermine our determination to go forward.

We believe that what we have done is legal, that the FDA has the authority, that we have not undermined the First Amendment, and we intend to go forward with that case.

QUESTION: Secretary Shalala, of all the voices we've heard, this is definitely a very contentious and controversial issue. I don't think King Solomon could probably solve it, but which way can you guarantee that the position executive of the White House comes down, won't be seen as a political decision? That you'll have enough backing that people will think your study is a valid one?

*** Elapsed Time 00:17, Eastern Time 13:30 ***

SHALALA: Oh, I think the president has a record that we're building on in children's health. He's made fundamental tough decisions. One of the toughest decisions any president has ever made to go forward on the issue of tobacco and children by putting the FDA regulations.

We have credibility on this issue, because we've stepped forward, we did it -- we did it in the middle of an election year, when everybody said, can you believe that anyone would make this kind of decision. And the president believes deeply that the fundamental question we ought to ask is, will the public health be improved if we do something related to what the proposal is.

QUESTION: Is there anyone who is cautioning within the administration, or voices from outside advising you, saying we ought not tinker with this too much? Because it was a carefully constructed deal, and the tobacco companies might just walk away. And that's not what we want.

Or is the view more, hey, we're going to take a long, hard look at this, and -- you know -- they can do whatever they want after the fact?

SHALALA: Everyone. Everyone is saying everything.

(LAUGHTER)

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*** Elapsed Time 00:18, Eastern Time 13:31 ***

All of the above. I'm saying, let's be cautious, and let's be rigorous. They're saying, well, if you tinker with it too much -- but that's what people always say when they bring you a piece of legislation.

We've got this very carefully constructed coalition. It's not new for us. People bring us proposals all the time, usually not as complex as this one. And we say, we're going to look at it through the clearest eyes that we possibly can, because we have a responsibility to the public and we're going to do it in public.

QUESTION: Well, let me ask you this -- just how seriously do you take their threats to -- if you change it too much, we're going to take our -- you know -- stuff and go home?

SHALALA: I just -- I think that we shouldn't comment on that, because what we want to do is to do what the president has said. We want to make a very rigorous -- take a very rigorous look at this.

QUESTION: Are you tinkering or just judging (OFF-MIKE)?

SHALALA: I think we're taking a very rigorous look at this proposal. And you'll be the judge when the president decides what he wants to do.

*** Elapsed Time 00:19, Eastern Time 13:32 ***

QUESTION: (OFF-MIKE) know you were going to that? I mean, (OFF- MIKE)...

SHALALA: ... Yes, the president announced it -- the president announced it before the negotiations were finished. The president announced that it would be put through a rigorous review by this administration.

QUESTION: But back to my question, do you see at the end of this process of 30 or whatever number of days it is, that you will have just said this works for us, or this doesn't, or this part -- or will you be saying this doesn't work for us, but this would if you...

SHALALA: ... I don't know the answer to that question, because we haven't finished our review. That's for a later point.

QUESTION: Is there any polling taking place to determine the public attitude on this settlement, as it stands?

SHALALA: I don't know of any polling. Do you know of any polling? I'm sure that -- my guess is because the issues out there, that there may be some public polling by the big polling agencies.

SHALALA: But I'm not doing any polling.

We know what the polls are and the public's attitude about children and tobacco.

QUESTION: One follow up on that.

What sort of role would there be for Mr. Moore and some of the others, like tobacco representatives, such as Mr. Koplow, in this review process?

*** Elapsed Time 00:20, Eastern Time 13:33 ***

SHALALA: Well, you know, we may have some questions for them, I would think, about what did you mean by this. There is some language used in this that, for instance in the first review, even some of my lawyers weren't quite sure what a national protocol meant.

I mean, there is some -- I'm sure we'll be asking them questions. I'm sure they'll want to talk to us and tell us what they were trying to achieve. I'm sure they'll want to pitch us on how delicate it is and the fact is that we're open, as we have always been, on any proposal that comes to us.

QUESTION: How seriously are you taking Kessler and Koop's criticism of the FDA restrictions? Are they going to be advising your group?

SHALALA: The president had indicated that the Koop-Kessler committee will be listened to carefully. David Kessler has long been an associate of ours. He and Chick Koop are the leading spokespeople on these issues and have been leaders in changing the role of the federal government.

*** Elapsed Time 00:21, Eastern Time 13:34 ***

Their views will be taken very seriously. And...

QUESTION: But they say it's unacceptable.

SHALALA: We've already talked to -- they said that parts of this agreement are unacceptable, including the FDA piece. But you heard the president. He wants to make sure there's an FDA regulatory framework that's firm and as clear as what we currently believe we have.

QUESTION: I mean, do you think it's within your mandate when you're doing this review -- it must have already been discussed -- that you can do the review and make recommendations about regulation, et cetera? And when you're making this study, are you going to be looking at regulation vis-a-vis enforceability?

I mean, you've had experience with this with the drug war...

SHALALA: Right. Yes.

I think we're pragmatic about this. We need to know whether this works. What does it cost? What's the balance between -- do we have to give anything up? What are we gaining?

*** Elapsed Time 00:22, Eastern Time 13:35 ***

I mean, we're looking at it as we would any complex piece of legislation in terms of its impact. How does it interrelate? What are the new roles and responsibilities? What are the new regulatory frameworks?

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This proposal has a huge framework over retail business. It has implications for advertising, for the agriculture people, for everybody that sells a cigarette in the United States. It has a new framework for that.

That's why you can't just go through six things like this. You really have to look at it with great care.

QUESTION: Where on this process do you address the overall question of whether it's tough enough on the tobacco industry? That's come up a lot in Congress.

SHALALA: Well, Bruce and I will be -- will be working on this. It's -- I think that the first way I look at this is does it substantially improve the public health? And then my second question is at what cost and at what price?

SHALALA: But we're -- we're really single-minded in this administration.

*** Elapsed Time 00:23, Eastern Time 13:36 ***

We want to substantially improve the public health. We want to reduce the number of kids that start smoking in the first place, substantially, and does this -- we're going to look at this as it adds to what we've already done.

We've already set our goals. We've already put our regs in place. So that's the way...

QUESTION: Do you have some level in mind which would be, you know, punishment enough for the tobacco industry, you know, so good can come of it?

SHALALA: No. No. And you know, I don't know enough to answer those questions yet. You're asking for more detail before we've really gotten into it.

I think -- in fact, because I don't know much more than that, I think we've about run our space.

(LAUGHTER)

REED: Yes.

SHALALA: Thank you very much. Thank you.

END

NOTES:

???? - Indicates Speaker Unknown

- Could not make out what was being said.

off mike - Indicates Could not make out what was being said.

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SECTION: WHITE HOUSE BRIEFING

LENGTH: 7152 words

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SUBJECT: PRESIDENT CLINTON'S INITIATIVE ON RACE

BRIEFERS:

JOE LOCKHART, DEPUTY PRESS SECRETARY

SYLVIA MATHEWS, DEPUTY CHIEF OF STAFF

AND MARIA ECHAVESTE, DIRECTOR, OFFICE OF PUBLIC LIAISON

THE WHITE HOUSE BRIEFING ROOM

WASHINGTON, DC

BODY:

MR. LOCKHART: Afternoon, everyone. Before Mike comes out, we wanted to spend a few minutes to talk about the president's initiative on race, which he will give a speech in San Diego on Saturday, as you well know.

I'm going to invite a couple of people who have worked very hard -- long and hard, and have done excellent work on this process. Deputy Chief of Staff Sylvia Mathews has led the process, working with Maria Echaveste, the director of the Office of Public Liaison. Sylvia will walk you through who's on the board and how we went about setting up the board, the goals of the initiative and also some of the elements of the initiative.

So with that -- but one other note --

Q Do you have paper on that?

MR. LOCKHART: Yeah, we'll have -- the paper is being Xeroxed right now. It will be, when we're done, available in the bins.

On one logistical note, as we told you, the advisory board will be here tomorrow. And Beverly Barnes (sp), who most of you know, who works with the Chief of Staff Erskine Bowles, will be handling the inquiries for the board because I know a lot of you will be interested in talking to them. So if you want to get in touch with the board members, you know, over the next few days, work through Beverly.

Q There's a meeting here tomorrow with them?

MR. LOCKHART: They are traveling out to San Diego with the president, and this is a get-together tomorrow.

Q What time is that meeting?

MR. LOCKHART: It's late in the afternoon. I think 4:30. Yeah?

Q They're all going on Air Force One?

Q Will there be a readout here or will there be a photo op? What's the logistics for the meeting?

MR. LOCKHART: I believe we'll do a pool spray at the top of the meeting and do something here. And then I'll be on the plane going out to San Diego.

Q But what about for those of us here? Somebody else is going on the plane, but somebody's writing the story here because it's awfully late by the time you get there, can there be a readout --

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MR. LOCKHART: Yeah, we'll do -- we'll try to do some sort of readout here.

Q Just for those of us who want to cover the news and then also be on the charter, is it possible to delay the charter?

MR. LOCKHART: Well, let me go and look at that, Wolf. I'll see.

Q Well, I mean, why does the charter have to leave so early?

MR. LOCKHART: Well, let me -- I'll go back and look at it, okay?

With that, Sylvia.

MS. MATHEWS: Thank you.

The first thing I wanted to spend just a minute on are the goals and methods of the president's initiative and review that, and then talk about the elements of the initiative, and then share with you the members of the president's advisory board.

Q Why don't you do the members first?

MS. MATHEWS: I'm happy to do it that way, if you all would prefer.

The president's advisory board, which has a seven-person membership, is going to be structured to advise over the period of the year-long -- a year-long period for the initiative. And the chairman of the board will be John Hope Franklin of Durham, North Carolina, who I'm sure many of you are familiar with -- a retired historian and educator. William F. Winner (sp), of Jackson, Mississippi. Governor Winner was former governor of Mississippi and has served in a number of capacities both inside and out of government and is in a law practice right now. Linda Chavez Thompson of Washington, DC. I think many of you know her. She is the executive vice president with the AFL-CIO. Robert Thomas of Cotodakoza (sp), California. Mr. Thomas is the president and CEO of Nissan U.S.A.

Angela Oh (sp), of Cyrenus (sp), California. Angela -- Ms. Oh is a practicing lawyer in LA right now. She is also a person who was very involved in the LA riots and part of the reconciliation efforts that occurred there, the multiracial issues that were occurring there between African Americans as well as the Asian and Hispanic communities. And she's been involved in that effort in her home city.

And finally, Susan Johnson Cook (sp). And some of you may have met Susan when she was a White House fellow. Susan is an African American female minister in New York City. Right now she's senior pastor of what's called the Bronx Christian Fellowship, in the Bronx. She was also the first female chaplain of the New York City Police Department.

The other name that I'll go ahead and announce now -- and you'll understand how it fits into the structure as I go on --

Q (Off mike.)

MS. MATHEWS: Oh, I'm sorry. My list -- yes, I'm sorry. I skipped over Tom Kean, who I think you all are familiar with -- the former governor.

Q (Off mike.)

MS. MATHEWS: Kean. And it's spelled -- the -- K-E -- right.

Q (Off mike.)

MS. MATHEWS: The other name that I will go ahead and announce now is Christopher Edley (sp). Chris Edley (sp) is not a member of the advisory board. But what Chris is going to do is he's going to be a senior advisor to the initiative, and he will help us with our policy development. He'll be a consultant and will come down periodically and work with our Domestic Policy Council, Elena Kagan and Jose Cerda, to organize and develop policies over the period of the year. So those are the names and why don't I now go to the --

Q One question: What's Taylor Branch's (sp) role going to be? Is he going to sort of work with the president to write his report?

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MS. MATHEWS: If it's all right, can I get through the initiative and then return to the question, or --

Q (Off mike.)

MS. MATHEWS: Yeah, I think that might be helpful -- if we could get -- and then we'll --

Q (Off mike.)

MS. MATHEWS: We'll do it that way, then.

(Cross talk, laughter.)

Q Yeah.

MS. MATHEWS: Good.

First, under the goals:

Goal number one is to articulate the president's vision of racial reconciliation, and we think that's an important thing, because it is his vision of how we want to take the country into the next century and talk about what he believes and why that's right. And that will be the focus of the speech. Part of why we're doing this briefing now is so that he has that ability in the speech on Saturday.

Goal number two is to help educate the nation both about the facts surrounding the issue of race and the history. At this point we have a generation -- the education has two focuses to it, the past and the future. We have a situation now where many people don't know the history of the civil rights movement or a lot of the nation's history with regards to race relations, whether it's black, white, Hispanic, or Native American.

Additionally, the education part is about talking about what the future's going to look like. If you looked at the Gallup study, I think you all probably saw some very interesting statistics. While that was black-white only and the initiative is broader than that, you saw the number of people -- whites -- and what they thought the racial mix was. There are some misperceptions in education there on what our racial balance is now, but also I'm not sure how many people in the United States realize that in the year 2050 we'll be at about 53 white and then 47 percent other minorities. The third goal is to promote a constructive dialogue. I think that's something you all had talked and heard a lot about leading up to this effort. And one thing I would add there: It's a constructive dialogue on the difficult issues. In order to have a dialogue, we need to have a dialogue on some of the positive things, like the Tuskegee apology. But we also need to talk about some of the tough issues, like the kind of issues you-all face every day, whether it's in your news organizations, in hiring, or in your communities.

The fourth goal is to recruit and encourage leadership. In order to give the effort breadth and depth, part of what we will do is try and work to get others involved, whether it's in business or in state and local government in the states throughout the nation.

And finally, the fifth goal is to find, develop and implement solutions in critical areas such as education, economic opportunity, housing, health care, crime, and the administration of justice. And these solutions that we're looking for are for individuals, for communities, for corporations, and for state and local governments.

On the methods, just a couple of points. One is presidential leadership. This contrasts with past issues because of the close involvement with the president. That's why he chose to do an advisory board instead of what has been viewed as a traditional commission.

Then let me just say, it has three elements really, if you think about it:

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dialogue, study and action. And I can spend time, but I'll wait for questions to do that.

The elements of the initiative: One, the advisory board, which we just talked about. Those people will help scope and focus the study and dialogue work that we do over the year. They'll also help us with policy ideas, with outreach to the community, with working with experts, and talking to the American people. Two, the president is going to do significant events throughout the year. I think as it has already been reported, some of those will be town halls, others of those will be events like Tuskegee, and today we're announcing that we will be going to Little Rock for the Central High anniversary.

Q When is that?

MS. MATHEWS: September -- I don't know the exact date that we're going, but we can get that for you.

The third element is the outreach and consultation of leadership, which our advisory board will help us with, and our staff that we'll set up will. And the fourth thing is the president's report to the American people. Instead of having a report from a commission, the president will be doing his own report to the American people. Finally, something that won't be in your paper but is an important element, is that we will be selecting an executive director and a staff. The staff will be about 15 to 20 people, and will be a combination of detailees, agency reps, and a few hires. That will be funded -- we're working with -- Justice is working with its appropriators right now to try and do a reprogramming of funds to do that to pay for that. I think with that, I should stop and we should take questions, unless you have anything to add, Maria.

MS. ECHAVESTE: I just wanted to add that in formulating this initiative, we did engage in a process of outreach that was both wide, but also close in. Senior staff, as well as the president, talked in depth with between 25 to 35 individuals in the course of the last 2- 1/2 months. But we also spoke to over 100 people before we finalized the initiative, getting their reaction and their thoughts about what road he should take.

We have ongoing a process of contacting over 300 people around the country -- opinion leaders, constituencies, organizations -- others who we hope will be part of this initiative in the course of the next year.

I think the best thing to say is that the reaction from a number of different people and, frankly, the majority, was positive in having the president take on this initiative, but also urging the president to take on the hard issues. And that is why the initiative has taken the form that it has. So I'll stop there.

Q What is the ultimate goal? Is it integration? A total reconciliation? And what -- you know, what are you really striving for in English?

MS. MATHEWS: Hope is that in a year's time that we will have ways that both policies and people can help the nation respect each other's differences, but at the same time grow together as one. And that's it in a simple sentence. But let me just elaborate a little bit. And that's the idea that we're going to continue to become more and more racially diverse, and as we do, we need to learn that we have to start with the respect of each other's differences before we can focus on those things that are our shared values, our shared concerns, our shared problems, and do it as one nation.

Q There's already been some criticism of the fact that the solutions come at the back end. There are people out there already saying what the president needs to do is talk about solutions to these problems on the street, crime, justice, so forth, now. And they want money as well.

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MS. MATHEWS: Two -- I think two separate parts there. One is that we are going to start talking about those issues now, and as far as policy actions, that will come over the time. The three different parts -- study, dialogue and action -- are iterative and they will feed into each other over the period of a year.

On the separate question of money, did you want to --

MS. ECHAVESTE: I just wanted to add that this is a different time than it was, say, 25 or 30 years ago. There was a consensus, if you will, that there were illegal barriers, things that the government needed to do. I would argue that at the moment, there's not a consensus that in fact racism still exists. There are many places around the country that believe that in fact we've solved all our problems. So before you start advocating particular solutions, there needs to be a process of shared views that in fact problems exist, and how to address them.

Q Can you describe those problems? What is it -- what is the problem that the president hopes to address with this? Is it racial prejudice and bigotry that he thinks is out of control, or something of that nature?

MS. MATHEWS: I think that there are a number of different problems, and that's a part of what the initiative will show over time. We see problems in perception, and then you see -- there are really two categories; problems in perception and problems in reality. In the perception front, what's actually stereotypes and that's reality? And we saw, I think, a perception gap in the Gallup poll, and we see that in a number of different places. On the question of what's really wrong; the reality of how much racism does exist, and how do we work to correct for that.

Q The Kerner Commission addressed all this 25 years ago or so, and a lot of people would say things have gotten a lot worse since then. How is this going to succeed where the Kerner Commission failed -- the Lyndon Johnson initiative failed?

MS. MATHEWS: Well, I think for starters, the Kerner Commission, number one, focused only on African American and white relations, notwithstanding that in different parts of the country we already had a multi-ethnic, multi-racial community.

Number two, the Kerner Commission came as a result of a particular time in terms of violence and riots and that type of crisis. This is a different time. And number three, there are issues in terms of really asking, you know, there are some issues that relate to economics, and there will be those critics on the left who say, "Money is what's needed, investment in the inner cities." But there are others who would argue that notwithstanding the strides that have been made in terms of increasing opportunities for different minorities, that there continues to be racism. Even, for example, a company like Texaco, where the issue wasn't getting a job, but it was actually the interactions among people and what kind of atmosphere people worked under. So those are issues that aren't necessarily solved by money, but nonetheless, have to be attacked.

Q Where's the staff going to come from? What kind of staff are you looking for? You're reprogramming people, but from what functions?

MS. MATHEWS: From all our departments. They'll come from the Cabinet departments, is where they'll come from. When we talked about some of the substantive issue areas, like housing, the administration of justice, health care, Secretary Shalala, in our Cabinet briefing yesterday, expressed her interest in ensuring --

Q It will be sort of a sub-set of the Cabinet?

MS. MATHEWS: We'll have people from all -- we have to have people from a number of the departments representing those different areas to help guide the policy development as well as the dialogue and the study.

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Q I don't mean to be excessively -- you know, negative about this, because I understand that's unpleasant; you're trying to do something good here, and so forth.

But I guess the interesting thing for a lot of us is that -- you know, you keep -- the folks who talk about this keep saying, "Well, there was a consensus 25 years ago. There's no consensus today, and that's why we have to have this big sort of discussion to figure out what to do."

I think people who cover these issues would dispute that there was any consensus about that. Why was there a year-long battle over the Civil Rights Act, I mean -- you know, in 1964?

So, I guess some people who have been sort of analyzing this initiative wonder whether this idea that it's so unclear what to do, we don't know what the problems are, we have to figure it out before we can act, is kind of a way to avoid doing something. It's just a way to kind of talk about these issues without really having to decide something and actually do something, those things that are within the president's power to do, like, for example, make certain appointments, integrate the White House staff a little bit more thoroughly than it is, things of that sort. Do you know what I'm talking about, and could you speak to that?

MS. MATHEWS: I would be interested in -- the consensus point, I'm not -- you know, if you want to articulate what you believe the consensus is that there is a race problem, that there isn't, or that --

Q That's my point, the argument that 25 years ago it was so clear what direction the country needed to move in cannot be the case if there were these -- the profound, you know, legislative battles we had over every major civil rights initiative that's ever been passed in this country. There were tremendous, pitched battles.

There were fistfights on the floor, off the floor, you know, screaming fits. So clearly there was no consensus 25 years ago, and yet legislation was passed, moved forward, and so forth, and with the president's leadership.

So the -- you see, my point -- it's --

MS. MATHEWS: I think --

Q -- so it isn't just that everybody jumped up and said, "We need to pass the Civil Rights Act." They didn't do that. (We had enough people ?) do it.

MS. MATHEWS: I think, though, that we believe that we are showing leadership. The truth is that I think that while this is an -- this is an issue that often is sailing against the political head winds in a number of ways. By going to California and choosing that as the place in which we make our speech, you know, I think we're making a statement. Already we've seen ads that are cut -- I think the president is showing leadership on the issue, and we're starting to see reaction.

We're going to have critics from the left and critics from the right. They're going to be passionate and they're going to be vocal. That's why this is a tough issue and an important issue.

As far as the action, part of the thing that we believe is an important thing to do -- there are the policy elements, and we have already started work. The Domestic Policy Council, under Elena Kagan and Jose Cerda, working with our counsel's office, have started the interagency with the Justice Department and Education, on specifically looking at the ramifications of (Huffwood ?) and Prop. 209. We are on our way on those things.

The other things, in terms of action -- the issue of dialogue -- when we've discussed things with a number of people outside, the importance of having people talk about and having the president show the leadership, to have the

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American people talk about the tough issues that we all aren't willing to talk about on a day to day basis.

(Cross talk.)

Q Sylvia, how did you figure out that this would be a year- long process? It seems like an awful long time -- (inaudible due to coughing) -- things that are on the front burner for a lot of people right now. Why will it take so long?

MS. MATHEWS: As I said, it will be an iterative process. And it's our expectation the policies will be announced along the way and we will do that along the way.

As far as deciding on a year, we wanted to get the president's report out within year.

(Cross talk.)

Q Sylvia, let me just again ask you about this. If you find, as the president talks, that he doesn't build any consensus, will you then not put out policy?

I mean, is this idea that he has to build the support for it first, and if that isn't there, he won't do --

MS. MATHEWS: No, we will put out the policies that we believe are best.

Q (Off mike) -- and secondly, if I could, people who met with the president the other night said that he talked about looking at polling data that showed, you know, what American whites, you know, are ready for discussing. How much has this been polled by the White House or by DNC pollsters for the White House?

MS. MATHEWS: That's a question I'll have to defer.

Q (Off mike) -- I mean, you don't know?

MS. MATHEWS: In terms of how much -- I think, understanding some of the issues that -- in terms of do people think it is a problem and that sort of thing.

Q No, did you poll? Did you do polling? Or did Penn and Schoen or Greenberg do polling? Anyone?

MS. MATHEWS: The issue in question of do people consider this a problem --

Q No, the question is polling -- just did you --

MS. MATHEWS: Yes.

Q Yes.

MS. MATHEWS: I'm answering the question --

Q Yeah --

MS. MATHEWS: -- with the issue that we examined.

Q (Off mike) -- and can you say how extensively and how many weeks you were polling on this?

MS. MATHEWS: Not extensively.

Q Not extensively. MR. LOCKHART: (Off mike.)

MS. MATHEWS: We've built on other --

(Cross talk.)

MR. LOCKHART: Can I just for a second --

MS. MATHEWS: Yeah.

MS. ECHAVESTE (?): Mmm-hmm.

MR. LOCKHART: Okay. I mean, I don't have any more exact numbers, but in addition to our own, I mean, we -- Sylvia and a group were --

Q (Off mike) --

MR. LOCKHART: Yeah?

Q Joe, by "our own," who do you mean? You mean Penn and Schoen?

MR. LOCKHART: Oh, I'll get that answer for you.

Q Okay.

MR. LOCKHART: I mean, I don't know. But I know there was some look at sort of levels of perception and -- on the issue. But also there is a lot of information out there. Gallup is a very comprehensive -- and we've looked at

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that. They came in and talked to us about that --

MS. MATHEWS: They came in and talked to us privately. There was a number of steps --

MR. LOCKHART: Yeah?

Q (Off mike) -- usual polling, or was that from some other source?

MR. LOCKHART: I'll find out.

Q Sylvia, why did it take seven months for the president to nominate an assistant attorney general for civil rights?

MS. MATHEWS: I think in selecting a person of the quality that we believe that we have, that we went through and examined a number of different candidates around the country to ensure that we got the best candidate. Additionally, I think you all know that the vetting process on our candidates is an important one that we like to do before we announce the candidates, and that took a while to do. Many people in this area -- when you look at this area, it's an area where people have a lot of writings. And in order for you to do that, you need to look and examine and understand what they've written and what they've said and what they think.

Q So basically what you're saying is you didn't want another Lani Guinier example?

Q (Laughs.)

MS. MATHEWS: I think that what I'm saying is we wanted to make sure that we had a candidate that we felt was the best candidate for the job and that we believed was a person who would represent our views.

Q Sylvia, could you flesh out some more on the task force? I mean, they're going meet regularly, or they're going all move here and work full time? And -- give me some examples of what they will actually do in a real-life basis.

MS. MATHEWS: Some examples of what types of things that the task force will do: They will, on a regular basis, communicate as a group with the executive director in helping scope the project in terms of work plans and the type of issues we need to focus on.

That's one type of activity they'll do.

Another one is they'll be participants in the president's activities abroad as he -- out in the country as he's doing outreach and doing things like town halls.

Q It's not a paid position that they're doing or --

MS. MATHEWS: No, no.

Q Okay. And they're not -- (inaudible) --

MS. MATHEWS: It is not a full -- it is neither a paid position nor a full-time position.

Q Is it right to think of them as like a board for the executive director and the staff --

MS. MATHEWS: They are the advisory board to the president, yes. That is correct, and that's why we've called them a board.

Q Okay. But not as a -- I mean, you -- earlier it was a task force -- I mean, they're like the board of directors would be for a college president or something like that. Is that a fair way of thinking about this?

MS. MATHEWS: Not being familiar with all that a college board of presidents do -- but yes, that's the general --

Q (They'll be there ?) for giving advice and so forth --

MS. MATHEWS: Yes.

Q They're not actually doing study, research --

MS. MATHEWS: They will not be doing the research. That's what -- the purpose of the staff.

Q You said you're making a statement by going to California. What statement

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are you making?

MS. MATHEWS: We believe that going to California -- Maria, do you want to do this one?

MS. ECHAVESTE: Yup.

MS. MATHEWS: Go ahead.

MS. ECHAVESTE: Going to -- California, as everyone knows, is a place where -- sets trends. It is the state that has a very diverse population. It is the home of Proposition 187, Proposition 209, the UC regents. It is -- going to San Diego, generally thought of as wide conservative -- nonetheless, this campus happens to be among the most diverse of the UC -- is saying that we believe in taking this issue and in having a dialogue about it and finding ways to confront the problems facing us.

Q Right. But the question -- when you made the statement about making a statement by going to California, it was in the context of --

MS. ECHAVESTE: We believe it's bold to go to California, to a UC system, when Prop. 209 is an issue that is so relevant there.

Q So the statement is --

MS. ECHAVESTE: The statement is we want to be clear that the president is -- he's expressed his view on this issue, and we're going to continue to express our view on that issue -- on what he believes.

(Cross talk.)

Q So the statement is: "We're opposed to Prop. 209."

MS. ECHAVESTE: And we support --

(Cross talk.)

Q That's not bold. I mean, you've said that.

MR. LOCKHART: Let me -- it's broader than that. It's the -- this -- the year-long initiative is not going to shy away from the controversial issues. Now it's not going to deal with only broad, academic issues that don't -- that aren't relevant to the political dialogue that's going on now. And by going to California, we're going into the place where you have one of the most active discussions going on, within the California -- within the university system. And we're going in there, and we're to lay out what we plan to talk about for the next year.

We thought, you know, it was about the most relevant place you could go to give this. And I think there is a statement there.

MS. MATHEWS: And the future-oriented focus --

Q But will he speak directly to the question of --

MS. MATHEWS: The only other thing I would add is the future- oriented focus of the initiative, that the demographic changes that are occurring in the nation, California is a place that is on the front edge of that.

Q Will he speak directly to the question of affirmative action when he speaks in California on Saturday?

MS. MATHEWS: I'm sorry. Will he speak --?

Q Will he speak directly to the question of affirmative action when he speaks on Saturday in California? I mean, you've said that that's one reason he's going there. Is he actually going to talk about it?

MS. MATHEWS: It will be in the speech.

Q Can I follow up --

Q Maria, you just mentioned the campus having a good record. As I know you know, in the last two days there's been quite a lot of racial turmoil on that campus because the provost of Thurgood Marshall College has quit because they rejected his plan to reach out to disadvantaged, blacks and Hispanics. Does that embarrass you? Does that give you pause about picking that campus?

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MS. ECHAVESTE: It highlights that in fact the answers to what do you do in light of a U.C. Regents or Proposition 209, or the (Huffwood ?) case? The one response that had been considered had been, have universities make partnerships with local high schools in order to educate and prepare them for the university systems, shows that U.C. San Diego's decision not to accept a charter high school, that those answers are not easy, but they definitely need to be considered. We don't -- shy about going there.

Q Given the president's problems with Lani Guinier, affirmative action -- the affirmative action review, the fact that his closest friends, like Marian Wright Edelman, practically walked out on him when he did welfare reform, what makes you think that the president can succeed at this race initiative? What makes him believe that he can actually do something?

MS. MATHEWS: First, I'd like to kind of go back to a little bit of the premise. On affirmative action, I think this president's stand on affirmative action, to stand up and say that he believes that "amended, not ended" for affirmative action is very important. I believe that our proposed rulemaking right now on procurement -- that is out for comment right now -- will be a very important part of preserving and narrowing, tailoring, as we've been advised by the courts to do.

So on that front.

In terms of the others that are around him and have been around him, if you look at our Cabinet and the people, from Rodney Slater to Alexis Herman to Federico Pena, that have been here, and there are many -- a number of others, that we have -- within the administration, we have a large group both in the Cabinet and here in the White House.

I think that we think that the president can succeed, I think, because he is dedicating himself to it personally.

And the other thing I would say is that there isn't a silver bullet. This isn't an easy problem. We recognize it and we recognize the difficulties that we're going to face in trying to do it. But we also believe that it is the time, at a time when the nation's in reasonable -- is economically health, and a time when we're on the verge of some big changes as far as our demographics, that we need to do this. And that's why we're doing it now.

Q Could you talk a little bit about the process of pulling down the list of possibilities for this panel? What was the criteria? And who were some of the people who signed off on these people, other than the president?

MS. MATHEWS: The process started with a very long list of, I'd say, probably about 250 names. And what we attempted to do was find people from different walks of life who could contribute both their ideas and the people that they communicate and have contact with. We wanted -- John Hope Franklin, as you all know, is 82, but Susan Cook (sp) is very young. We wanted to get a mix because part of the initiative will focus on youth. We wanted to get people from different backgrounds. Susan comes from a religious background, while Thomas comes from a business background. We tried to get a mix of people in terms of views and perspectives. Governor Winter (sp) is a southern governor. Governor Keane (sp) is from the north. And what we tried to do was get a balance of people that represented a number of different things so we could have a good mix of advice going in to the president.

Q And who did you run these names by? I mean, were they among the people who -- the people who met with the president the other night, did you run the names by them, or who exactly signed off?

MS. MATHEWS: Some of those people we consulted with early on with our names.

Q So did you consider people who were just simply opposed to affirmative

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action or government preference policies, or, I mean, does the president want people who already basically support his premises?

MS. MATHEWS: Those names were considered, but what we tried to do was put together a group that we feel could advise us on the policies and issues that we want to pursue.

(Q ?) Basically agree with the president.

Q (Off mike) -- having that board if you've already decided what you're going -- that you want these people to support what --

MS. MATHEWS: I think that what we're talking about when we talk about affirmative action is a pretty fundamental core, one of the policy areas that we'll be looking at. So in that area.

And actually, I think the truth is, we didn't ask that question, when we asked the members to serve. Do you --

Q Well, why not?

Q Whose question are you --

Q Why not?

Q -- answering here?

MS. MATHEWS: I'm answering the question of did we -- do we have people -- it is the question do we have people on -- do we have people on the board who support --

Q (Off mike) -- a full debate. I mean, did you take -- there are plenty of prominent people who have made clear they're opposed to affirmative action. I mean, did you seek out those kind of people, or was it clear that you want essentially people who basically agree with the president's approach to advise on more narrow questions, rather than the whole spectrum?

MS. MATHEWS: On the issue of Prop 209 and affirmative action, specifically: there were names on the list that are opposed to our position, that we originally put together. However, on that particular issue, we did not directly ask people do you support that, do you not support that.

Q But you ruled out the people you knew who were opposed. Is that correct?

MS. MATHEWS: This commission is more -- is not -- it's not a commission.

Q So, what's it based on?

MS. MATHEWS: It's an advisory board. You know, you're thinking of a commission --

Q You ruled out the people you knew were opposed. Isn't that correct?

MS. ECHAVESTE: I think we did not --

MS. MATHEWS: They're going to be a part of the dialogue. They will be a part of the dialogue. At this point -- at this point, all the people -- the people that are mainly vocal against affirmative action are not a part of the advisory board.

Q Did you consult with any people like that in the process? Can you identify any people that were consulted with?

MS. MATHEWS: I just don't have my list of names, but we did talk to people who thought that -- who had different views about how to deal with racism in this country, where the answer isn't in affirmative action, but economic opportunity, as a way of dealing with those issues. We did talk to people like that.

Q Sylvia, you are talking about healing the racial divide. What American are you specifically hoping to target, or to bring into the fold, with this whole initiative?

MS. MATHEWS: I think that it is our hope that the initiative will reach everyone. When we say race, we are referring to whites, Hispanics, blacks, Asian-Americans, and native Americans. We believe it's very important for whites in the country to be a part of the initiative.

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Q Are you looking more so to -- more (to ?) white people to understand that there is a problem, especially since you said earlier that the majority here in America is white?

MS. MATHEWS: We're looking for both. We're looking for both people of color, as well as whites, to look and examine the issue and see. That's part of why, in the study section, we talked about stereotypes versus reality; to understand which groups have a -- you know, we're going to look at which pieces are right and which are reality.

Q Is there a concern that the California affirmative-action action will spread through the country?

MS. MATHEWS (?): (Inaudible.) It's -- I mean --

Q -- that it's contagious?

MS. MATHEWS: Well, I wouldn't use the word "contagious." The fact is, is that a lot of people all over the country are saying that affirmative action is not needed; that, in fact, racism and discrimination is no longer a problem. So -- Q I mean, in the states and so forth, affecting the college preferences and --

MS. MATHEWS: Yeah, absolutely.

Q Can I try a question that I asked in a briefing, again? Is the president prepared to deal with the possibility that this full discussion, as often occurs in, say, in employment, in work places; that this could exacerbate racial problems at least in the short term? And what would he be willing to do about that?

MS. MATHEWS: I think that, as we discussed before, that the president is ready for a difficult discussion. I think, as was reported today and has been reported before, that sometimes people's efforts on this front do create strains and stresses. And I think we're ready for taking that on. I think we have already seen the advertising that's occurred, both in Washington and San Diego, which are signs. We are, as I have said, going to have critics from the left and the right. And that's because it is a very important issue that many people feel very passionately about. And we are already hearing that, and I think we are ready to take that. Q You said you talked to some people who disagree with the administration's position. Was Ward Connerly one of them? And what is your reaction to the fact that he -- while he is running these radio ads against the president, will be there at the commencement address Saturday.

MS. MATHEWS: He's a UC regent.

Q But is he somebody you talked to?

MS. MATHEWS: No, but he is --

Q What do you say to a lot of these civil-rights leaders who are very upset that they're not on this advisory board, like Jesse Jackson, Kweisi Mfume, people of that nature?

MS. MATHEWS: Part of the reaction we got when we were doing our outreach was the fact that a lot of people said: "Don't try to do a committee. Don't try to do a group. You'll never figure out who should be on it."

The fact is the president cannot take on this issue alone. And he is a full-time president. And -- a small advisory group that can help guide and help us identify the key issues; what we should focus on, when we are traveling around the country, what is the way to go. And that was the decision that was made.

MS. : And we'll be consulting with those people. I think you all know Reverend Jackson was in last week, and Kweisi Mfume was in as well this week. So the effort is not limited to the advisory board.

Q (Inaudible) -- the fact that they deal with civil rights and issues like this on a daily basis --

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MS. MATHEWS: And they have the expertise, and we will be working with them. Think of it as -- the way we think of it is a year-long process in which at different points in time, different groups of people will be convened, a conversation had, at which, certainly in the process here in the White House that we had, there was in fact different views around that table that was very enlightening and eye-opening.

Q Sylvia, does the president believe that the fundamental conclusion of the Kerner Commission is still accurate today; that there are two societies in this country -- one black, one white, separate and unequal?

MS. MATHEWS: I think that he would say that we have made some progress, but that there is still a long way to go. And I think the other thing that he would say is it's not a black and white; it's a black, white, Asian American; that it's a different -- in that sense, it's also different from Kerner, that it's not just two, it's a hundred. And that that's a part of why the initiative is so important at this time.

Q Was the Justice Department civil rights job -- did that -- did you make a concerted effort to get that filled prior to the announcement this weekend? Does that explain the timing of that?

MS. MATHEWS: We've been working on that for a while. We were pleased that we were able to announce it before we go to California.

Q Can you elaborate on just what the president's role is envisioned to be? You talk quite a bit about the board here. Is he going to be -- does he seem himself as a mediator, a conciliator, a moderator? What exactly is his ultimate role in this process?

MS. MATHEWS: I think the president will have a number of different roles. We will depend on his intellectual leadership as we go through our processes with the executive staff as well as the White House staff. He will be the person that will be on the line in terms of his events leading dialogue in different settings, such as town halls. He also will be the president speaking to these issues in terms of like how he will do in the speech in California, which are three different ways that the president will be involved and engaged in the process.

MR. LOCKHART: Can we just take a couple more and then --

Q But Sylvia, do you all have a sense yet of what kind of venues you're going to do the town halls in and when the first one will be?

MS. MATHEWS: No. We've had a number of requests that I think -- once we get -- we want to consult with the advisory board, as well as the executive director. We've had a number of requests from everyone from communities to news organizations.

Q When do you anticipate -- how long a time before you do the first town hall?

MS. MATHEWS: I think that will be dependent on the president's schedule.

Q Is there some core set of beliefs that the president has at this point that he will just want to do, that he thinks is right and that maybe he wants the advisory board to help him find a way to implement it? But coming into this -- and if so, can you tell us what the core set of beliefs he has and in terms -- are they, I mean, very specifically, something that should be a piece of legislation, something that could be remedied by one way or the other, but you know, where is his ferment here going into this?

MS. MATHEWS: I think sort of two different answers to that question --

MS. ECHAVESTE (?): Speech.

(Laughter among staff.)

MS. MATHEWS: We'll let Mr. McCurry -- that will come out in the speech. Right. We'll let --

Q Thank you.

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MS. MATHEWS: Thank you.

MR. LOCKHART: Can I just say one thing quickly? The Little Rock Central High visit is September 25th.

END

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SPEAKERS: MICHAEL MCCURRY, WHITE HOUSE PRESS SECRETARY JOSEPH LOCKHART, WHITE HOUSE SPOKESMAN SYLVIA MATHEWS, DEPUTY CHIEF OF STAFF, WHITE HOUSE OPERATIONS MARIA ECHAVESTE, DIRECTOR, WHITE HOUSE PUBLIC LIAISON OFFICE

LOCKHART: Good afternoon, everyone. Before Mike comes out, we wanted to spend a few minutes to talk about the president's initiative on race, which he will give a speech in San Diego on Saturday, as you all know. I'm going to invite a couple of people who have worked very hard, long and hard, and done excellent work on this process.

Deputy chief of staff Sylvia Mathews has led the process working with Maria Echaveste, the director of the Office of Public Liaison. Sylvia will walk you through who's on the board and how we went about setting up the board, the goals of the initiative and also some of the elements of the initiative. So with that -- but one other note. Yes, we'll have -- the paper is being Xeroxed right now. It'll be, when we're done, available in the bins.

On one logistical note, as we've told you, the advisory board will be here tomorrow. And Beverly Barnes, who most of you know, who works with the chief of staff Erskine Bowles, will be handling the inquiries for the board, because I know a lot of you will be interested in talking to them. So if you want to get in touch with a board members, you know, over the next few days, then work through Beverly.

QUESTION: Are they meeting here tomorrow?

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LOCKART: They are travelling out to San Diego with the president. And there's -- this is a get together tomorrow.

QUESTION: What time is it (OFF-MIKE)?

LOCKHART: It's late in the afternoon. I think...

(UNKNOWN): I think it will be at 4:30.

LOCKHART: Four-thirty? Yes.

QUESTION: (OFF-MIKE) on the charter, and the...

LOCKHART: Yes.

QUESTION: Will there be a readout here, or will there be put off -- what's the logistical...

LOCKHART: I believe we'll just -- we'll do a pool spray at the top of the meeting and do something here. And then I'll be on the plane going out to San Diego.

QUESTION: What about those of us -- somebody else is going on the plane, but somebody's writing...

LOCKHART: Right.

QUESTION: ... the story here because it's awfully late by the time you've got there. Can there be a readout...

LOCKHART: Yes, well, yes. Yes. We'll try to do some sort of readout here.

QUESTION: Just for those of us who are covering the news and then also be on the charter, is it possible to delay the charter?

LOCKHART: Well, let me go and look at that, Wolf. I'll see.

QUESTION: Well, why does the charter have to leave so early?

LOCKHART: Well, let me -- I'll go back and look at it, OK?

QUESTION: (OFF-MIKE)?

LOCKHART: I will, OK?

With that, Sylvia Mathews.

Elapsed Time 00:02, Eastern Time 13:18

MATHEWS: Thank you. The first thing I wanted to spend just a minute on the goals and methods of the president's initiative and review that, and then talk about the elements of the initiative, and then share with you the members of the president's advisory board.

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I'm happy to do it that way, if you all would prefer.

The president's advisory board, which is -- it has a seven-person membership -- is going to be structured to advise him over the period of the year-long period for the initiative.

And the chairman of the board will be John Hope Franklin (ph) of Durham, North Carolina, who I'm sure many of you are familiar with -- a retired historian and educator.

William F. Winner (ph) of Jackson, Mississippi -- Governor Winner was former governor of Mississippi and has served in a number of capacities, both inside and out of government and in his -- in a law practice right now.

Linda Chavez-Thompson (ph) of Washington, D.C.. I think many of you know her.

Elapsed Time 00:03, Eastern Time 13:19

She is the executive vice president with the AFL-CIO.

Robert Thomas of Coto Decoza (ph), California. Mr. Thomas is the president and CEO of Nissan, USA.

Angela Oh of Sirenas (ph), California. Angela -- Ms. Oh is a practicing lawyer in L.A. right now. She is also a person who is very involved in the L.A. riots and part of the reconciliation efforts that occurred there, the multiracial issues that were occurring there between African-Americans as well as the Asian and Hispanic communities.

MATHEWS: And she's been involved in that effort in her home city. And finally, Suzan Johnson Cook. And some of you may have met Suzan when she was a White House Fellow. Suzan is an African American female minister in New York City.

Elapsed Time 00:04, Eastern Time 13:20

Right now she's senior pastor of what's called the Bronx Christian Fellowship in the Bronx. She was also the first female chaplain of the New York City Police Department.

The other name that I'll go ahead and announce now -- and you'll understand how it fits into the structure as I go on. Oh. I'm sorry. My list is... Yes. I'm sorry. Skipped over it. Tom Kean, who I think you all are familiar with, the former governor.

QUESTION: Tom (OFF-MIKE)?

MATHEWS: Kean. And it's spelled. K-e. Right. The other name that I will go ahead and announce now is Christopher Edley. Chris Edley is not a member of the advisory board. But what Chris is going to do is he's going to be a senior adviser to the initiative. And he will help us with our policy development. He'll be a consultant and will come down periodically and work with our domestic policy counsel, Elena Kagan and Jose Cerda, to organize and develop policies over the period of the year. So those are the names. And why don't I now go

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to the...

QUESTION: One question. What's Taylor Branch's role going to be? Is he going to sort of work with the president to write his report?

Elapsed Time 00:05, Eastern Time 13:21

MATHEWS: If it's all right, can I get through the initiative and then return to the question, or...? I think that might be helpful if we could get... And then we'll come... We'll do it that way, then. Good.

First, under the goals. Goal number one is to articulate the president's vision of racial reconciliation. And we think that's an important thing. Because it is his vision of how we want to take the country into the next century and talk about what he believes and why that's right. And that will be the focus of the speech. Part of why we're doing this briefing now is so that he has that ability in the speech on Saturday.

Goal number two is to help educate the nation, both about the facts surrounding the issue of race, and the history. At this point we have a generation -- the education has two focuses to it, the past and the future. We have a situation now where many people don't know the history of the civil rights movement or a lot of the nation's history with regards to race relations, whether it's black, white, Hispanic or Native American.

Elapsed Time 00:06, Eastern Time 13:22

Additionally, the education part is about talking about what the future's going to look like. If you looked at the Gallup study -- I think you all probably saw some very interesting statistics. While that was black-white only, and the initiative is broader than that, you saw the number of people, whites, and what they thought the racial mix was. There are some misperceptions in education there on what our racial balance is now. But also, I'm not sure how many people in the United States realize that in the year 2050 we'll be at about 53 percent white, and then 47 percent other minorities.

The third goal is to promote a constructive dialogue. I think that's something you all have talked and heard a lot about, leading up to this effort. And one thing I would add there, it's a constructive dialogue on the difficult issues. In order to have a dialogue, we need to have a dialogue on some of the positive things, like the Tuskegee apology. But we also need to talk about some of the tough issues, like the kind of issues you all face every day, whether it's in your news organizations, in hiring, or in your communities.

Elapsed Time 00:07, Eastern Time 13:23

The fourth goal is to recruit and encourage leadership. In order to give the effort breadth and depth, part of what we will do is try and work to get others involved, whether it's in business or in state and local government, in the states throughout the nation.

And finally, the fifth goal is to find, develop and implement solutions in critical areas such as education, economic opportunity, housing, health care, crime and the administration of justice.

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MATHEWS: And these solutions that we're looking for are for individuals, for communities, for corporations and for state and local governments.

On the methods, just a couple of points. One is presidential leadership. This contrast with past issues because of the close involvement of the president. That's why I chose to do an advisory board instead of what has been viewed as a traditional commission.

Then let me just say, it has three elements, really, if you think about it. Dialogue, study and action.

Elapsed Time 00:08, Eastern Time 13:24

And I can spend time, but I'll wait for questions to do that. The elements of the initiative: One, the advisory board, which we just talked about. Those people will help scope and focus the study and dialogue work that we do over the year. They'll also help us with policy ideas, with outreach to the community, with working with experts and talking to the American people.

Two, the president is going to do significant events throughout the year. I think it has already been reported, some of those will be town halls. Others of those will be events like Tuskegee. And today we're announcing that we will be going to Little Rock for the Central High anniversary.

QUESTION: When is that?

MATHEWS: September -- I don't know the exact date that we're going. But we can get that for you.

The third element is the outreach and consultation of leadership, which our advisory board will help us with and our staff that will set up will.

And the fourth thing is the president's report to the American people. Instead of having a report from a commission, the president will be doing his own report to the American people.

Finally, something that won't be in your paper, but is an important element, is that we will be selecting an executive director and a staff.

Elapsed Time 00:09, Eastern Time 13:25

The staff will be about 15 to 20 people and will be a combination of detailees, agency reps and a few hires. That'll be funded. We're working with -- Justice is working with its appropriators right now to try and do a reprogramming of funds to do that, to pay for that.

I think with that, I should stop and we should take questions, unless you have anything to add, Maria.

ECHAVESTE: I just wanted to add that in formulating this initiative, we did engage in a process of outreach that was both wide but also close in. Senior staff as well as the president talked to in depth with between 25 to 35 individuals in the course of the last two- and-a-half months.

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But we also spoke to over 100 people before we finalized the initiative, getting their reaction and their thoughts about what road he should take. We have ongoing a process of contacting over 300 people around the country, opinion leaders, constituencies, organizations, others who we hope will be part of this initiative in the course of the next year.

Elapsed Time 00:10, Eastern Time 13:26

I think the best thing to say is that the reaction from a number of different people and practically the majority was positive in having the president take on this initiative. But also urging the president to take on the hard issues. And that is why the initiative has taken the form that it has.

So I'll stop there.

QUESTION: What is the ultimate goal? Is it integration? A total reconciliation and what, you know, what is it really striving for, in English?

MATHEWS: Our hope is that in a year's time, that we will have ways that both policies and people can help the nation respect each other's differences, but at the same time grow together as one. And that's it, in a simple sentence.

But let me just elaborate a little bit. And that's the idea that we're going to continue to become more and more racially diverse.

Elapsed Time 00:11, Eastern Time 13:27

And as we do, we need to learn that we have to start with the respect of each other's differences before we can focus on those things that are our shared values, our shared concerns, our shared problems, and do it as one nation.

QUESTION: There's already been some criticism of the fact that the solutions come at the back end. There are people out there already saying what the president needs to do is talk about solutions to these problems on the street -- crime, justice, so forth -- now. And they want money, as well.

MATHEWS: Two -- I think two separate parts there. One, is that we are going to start talking about those issues now. And as far as policy actions, that will come over the time. The three different parts -- study, dialogue, and action are iterative. And they will feed into each other over the period of a year.

On the separate question of money, did you want to...

ECHAVESTE: ... I just wanted to add that this is a different time than it was, say, 25 or 30 years ago. There was a consensus, if you will, that there were legal barriers, things that the government needed to do. I would argue that at the moment, there's not a consensus that in fact, racism still exists.

Elapsed Time 00:12, Eastern Time 13:28

There are many places around the country that believe that in fact, we've solved all our problems. So before you start advocating particular solutions, there needs to be a process of shared views that in fact, problems exist, and how to address them.

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QUESTION: Can you describe those problems? What is it -- what is the problem that the president hopes to address with this? Is it racial prejudice and bigotry that he thinks is out of control, or something of that nature?

MATHEWS: I think that there are a number of different problems. And that's a part of what the initiative will show over time. We see problem in perception. And then you see, there are really two categories, problems in perception, and problems in reality.

In the perception front, what's actually stereotypes and what's reality? And we saw, I think, a perception gap in the Gallup poll. And we see that in a number of different places. On the question of what's really wrong, the reality of how much racism does exist, and how do we work to correct for that.

Elapsed Time 00:13, Eastern Time 13:29

QUESTION: The Kerner Commission addressed all of this 25 years ago. And a lot of people would say things have gotten a lot worse since then. How is this going to succeed, where the Kerner Commission failed? And Lyndon Johnson initiative failed?

MATHEWS: Well I think for starters, the Kerner Commission, number one, focused only on African American and white relations. Notwithstanding, that in different part of the country you already had a multi-ethnic, multi-racial community.

Number two, the Kerner Commission came as a result of a particular time in terms of violence and riots and that type of crisis. This is a different time.

And number three, there are issues in terms of really asking -- you know -- there are some issues that relate to economics. And there will be those critics on the left who say money is what's needed, investment in the inner cities.

Elapsed Time 00:14, Eastern Time 13:30

But there are others who would argue that notwithstanding the strides that have been made in terms of increasing opportunities for different minorities, that there continues to be racism even -- for example -- a company like Texaco, where the issue wasn't getting a job. It was actually the interactions among people, and what kind of atmosphere people worked under.

So, those are issues that aren't necessarily solved by money. But nonetheless, have to be attacked.

QUESTION: Where's the staff going to come from? What kind of staff are you looking for? You're reprogramming people, but from what functions?

MATHEWS: From all our departments. They'll come from the Cabinet departments, is where they'll come from. When we talked about some of the substantive issue areas, like housing, the administration of justice, health care -- Secretary Shalala, in our Cabinet briefing yesterday, expressed her interest in ensuring...

QUESTION: ... (OFF-MIKE) Cabinet, it will be sort of a subset of the Cabinet?

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MATHEWS: We'll have people from all the -- we have to have people from a number of the departments representing those different areas, to help guide the policy development, as well as the dialogue and the study.

Elapsed Time 00:15, Eastern Time 13:31

QUESTION: I don't mean to be excessively, you know, negative about this, because I understand that that's unpleasant. You're trying to do something good here and so forth.

But I guess the interesting thing for a lot of us is that, you know, you keep -- the folks who talk about this keep saying, well, there was a consensus 25 years ago. There's no consensus today, and that's why we have to have this big sort of discussion to figure out what to do.

I think when people who cover these issues would dispute that there was any consensus about that. Why was there a year-long battle over the Civil Rights Act, you know, in 1964?

So I guess some people who've been sort of analyzing this initiative wonder whether this idea that it's so unclear what to do -- we don't know what the problems are, we have to figure out before we can act -- it's kind of a way to avoid doing something. It's just a way to kind of talk about these issues without really having to decide something and actually do something -- those things that are within the president's power to do -- like, for example, make certain appointments, integrate the White House a little bit more thoroughly than it is, things of that sort.

Do you know what I'm talking about, and could you speak to that?

MATHEWS: I would be interested in the consensus point. I'm not -- you know, if you want to articulate what you believe the consensus is -- that there is a race problem, that there isn't, or that...

Elapsed Time 00:16, Eastern Time 13:32

QUESTION: I mean, the idea that 25 years ago it was so clear what direction the country needed to move in cannot be the case if there were these profound, you know, legislative battles we had over every major civil rights initiative that's ever been passed in this country.

There were tremendous pitched battles. There were fist fights on the floor, off the floor -- you know, screaming fits. So clearly, there was no consensus 25 years ago. And yet, legislation was passed, moved forward and so forth, with the president's leadership.

So the -- so you see my point? So it isn't just that everybody jumped up, and said, we need to pass the Civil Rights Act. They didn't do that. (OFF-MIKE)...

MATHEWS: I think, though, that we believe that we are showing leadership. The truth is that, I think, that while this is an issue that often is sailing against the political head winds in a number of ways.

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By going to California and choosing that as the place in which we make our speech, you know, I think we are making a statement. Already, we have seen ads that are cut.

Elapsed Time 00:17, Eastern Time 13:33

I think the president is showing leadership on the issue, and we are starting to see reaction. We are going to have critics from the left and critics from the right. They are going to be passionate, and they are going to be vocal. That's why this is a tough issue and an important issue.

As far as the action, part of the things that we believe is an important thing to do -- there are the policy elements, and we have already started work.

The Domestic Policy Council, under Elana Kagan and Jose Serda, working with our council's office have started the interagency process with the Justice Department and Education on specifically looking at the ramifications of Hopwood and Prop 209.

We are on our way on those things. The other thing, in terms of action, the issue of dialogue -- when we've discussed things with a number of people outside, the importance of having people talk about it, having the president show the leadership to have the American people talk about the tough issues that we all aren't willing to talk about on a day-to-day basis..

QUESTION: How did you figure out that this would be a year-long process? It seems like an awful long time for things that are on the front burner. A lot of people wonder, why will it take so long?

Elapsed Time 00:18, Eastern Time 13:34

MATHEWS: As I said, it will be an iterative process. It's our expectation that policies will be announced along the way, and we will do that along the way.

As far as deciding on a year, we wanted to get the president's report out within a year.

QUESTION: (OFF-MIKE). If you find, as the president talks, that he doesn't build any consensus, will you then not put out policy?

MATHEWS: No.

QUESTION: I mean, is this idea that he has to build the support for it first, and if that isn't there, you won't do...

MATHEWS: No. We will put out the policies that we believe are best.

QUESTION: And secondly, if I could, people who met with the president the other night said that he talked about looking at polling data that showed, you know, what American whites, you know, are ready for discussing.

How much has this been polled by the White House or by DNC pollsters for the White House?

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MATHEWS: That's a question I'll have to defer.

MATHEWS: In terms of how much, I think understanding some of the issues that -- in terms of -- do people think that it is a problem and that sort of thing.

QUESTION: Did you do polling? Or did Penn and Schoen or Greenberg do polling?

MATHEWS: I did...

MATHEWS: The issue in question of do people consider this a problem...

Elapsed Time 00:19, Eastern Time 13:35

QUESTION: No, just polling

MATHEWS: Yes, yes. I'm answering the question with the issue that we...

QUESTION: Did they consider -- and can you say how extensively and how many weeks you were going on this?

MATHEWS: Not extensively.

QUESTION: Not extensively.

MATHEWS: We built on other...

LOCKHART: Can I just for a second.

MATHEWS: Yes.

LOCKHART: I mean, I don't have any more exact numbers. But in addition to our own -- I mean, we -- Sylvia and a group were -- yes.

QUESTION: So by our own who do you mean?

QUESTION: Do you mean Penn and Schoen?

LOCKHART: Oh, I'll get that answer for you. I mean, I don't know, but I know there was some look at sort of levels of perception on the issue. But also, there is a lot of information out there. Gallup did a very comprehensive -- and we've looked at that. They came in and talked to us about that.

MATHEWS: They came in and talked to us privately.

QUESTION: Was this the usual polling or was that from some other source?

LOCKHART: I'll find out.

QUESTION: Sylvia, why did it take seven months for the president to nominate an assistant attorney general for civil rights?

MATHEWS: I think in selecting a person of the quality that we believe that we have, that we went through and examined a number of different candidates around the country to ensure that we got the best candidate.

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Elapsed Time 00:20, Eastern Time 13:36

Additionally, I think you all know that the vetting process on our candidates is an important one that we like to do before we announce the candidates and that took awhile to do. Many people in this area -- when you look at this area, it's an area where people have a lot of writings. And in order for you to do that, you need to look and examine and understand what they've written and what they've said and what they think.

QUESTION: So, basically what you're saying is you didn't want another Lani Guinier example?

(LAUGHTER)

MATHEWS: I think what I'm saying is we wanted to make sure that we had a candidate that we felt was the best candidate for the job and that we believed was a person who would represent our views.

QUESTION: Sylvia, could you flush out some more on the task force? I mean -- they're going to meet regularly or they're all going to move here and work full time? Give me some examples of what they will actually do in a real life basis.

Elapsed Time 00:21, Eastern Time 13:37

MATHEWS: Some examples of the types of things that the task force will do. They will on a regular basis communicate as a group with the executive director in helping scope the project in terms of work plans and the type of issues we need to focus on. That's one type of activity they'll do. Another one is, they'll be participants in the president's activities abroad, out in the country, as he is doing outreach and doing things like town halls.

QUESTION: It's not a paid position that they're doing?

MATHEWS: No.

QUESTION: OK.

MATHEWS: It is not a full time -- it is neither a paid position nor a full time position.

QUESTION: Is it right to think of them as a, like a board for the executive director and the staff?

MATHEWS: They are the advisory board to the president. Yes, that is correct. And that is why we call them a board.

QUESTION: But not as -- I mean, earlier you said task force. They're like the board of directors would be for a college president or something like that. Is that a fair way of thinking about this?

MATHEWS: Not being familiar with all that a college board of presidents do, but yes that's the general.

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QUESTION: To be there for giving advice and so forth.

MATHEWS: Yes.

QUESTION: They're not actually doing study, research...

MATHEWS: They will not be doing the research. That's what -- the purpose of the staff.

QUESTION: Sylvia, you said you're making a statement by going to California. What statement are you making?

MATHEWS: We believe that going to California -- Maria, do you want to do this one?

ECHAVESTE: Yes.

MATHEWS: Go ahead.

ECHAVESTE: Going to California as everyone knows is a place where -- sets trends. It is the state that has a very diverse population. It is home of Proposition 187, Proposition 209, the UC Regents. It is going to San Diego -- generally thought of as white conservative. Nonetheless, this campus happens to be among the most diverse of the UC. It's saying that we believe in taking this issue and having a dialogue about it. And finding ways to confront the problems facing us.

QUESTION: Right, but the question -- when you made the statement about, making a statement by going to California -- was in the context of the president...

ECHAVESTE: We believe it's bold to go to California to a UC system when Prop 209 is an issue that is so relevant there.

QUESTION: So the statement is...

ECHAVESTE: The statement is we want to be clear that the president is -- he's expressed his view on this issue. And we're going to continue to express our view on that issue and what he believes.

Elapsed Time 00:23, Eastern Time 13:39

QUESTION: So the statement is, we're opposed to Prop 209?

ECHAVESTE: And we support...

QUESTION: That's not bold. I mean, you said that.

LOCKHART: Let me -- it's broader than that. It's that the -- this year-long initiative is not going to shy away from the controversial issues. Now, it's not going to deal with only broad, academic issues that don't -- that aren't relevant to the political dialogue that's going on now.

And by going to California, we're going into the place where you have one of the most active discussions going on within the -- within California, within

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the university system. And we're going in there. And we're going to lay out what we plan to talk about for the next year. We thought, you know, it was about the most relevant place you could go to give this. And I think there is a statement there.

MATTHEWS: And the future-oriented focus -- the only other thing I would add is the future-oriented focus of the initiative, that the demographic changes that are occurring in the nation, California is a place that is on the front edge of that.

Elapsed Time 00:24, Eastern Time 13:40

QUESTION: (OFF-MIKE) action when he speaks in California on Saturday?

MATTHEWS: I'm sorry? Will he...

QUESTION: Will he speak directly to the question of affirmative action when he speaks on Saturday in California? I mean, you've said that that's one reason he's going there. Is he actually going to talk about it?

MATTHEWS: It will be in the speech.

QUESTION: Maria, you just mentioned the campus having a good record. As I know you know, in the last two days, there's been quite a lot of racial turmoil on that campus because the provost of Thurgood Marshall College has quit because they rejected his plan to reach out to disadvantaged blacks and Hispanics. Does that embarrass you? Does that cause you to pause about picking that campus?

ECHAVESTE: It highlights that in fact the answers to what do you do in light of UC regents or Proposition 209 or the Hopwood case. The one response that had been considered had been, have universities make partnerships with local high schools in order to educate and prepare them for the university system, shows that the regent -- the UC-San Diego's decision not to accept the charter high school -- that those answers are not easy.

Elapsed Time 00:25, Eastern Time 13:41

But they definitely need to be considered. We don't shy about going there.

QUESTION: Given the president's problems -- with Lani Guinier; the affirmative action review; the fact that his closest friends, like Marion Wright Edelman, practically walked out on him when he did welfare reform -- what makes you think that the president can succeed at this race initiative? What makes him believe that he can actually do something.

MATTHEWS: First, I'd like to kind of go back to a little bit of the premise. On affirmative action, I think this president's stand on affirmative action -- to stand up, and say that he believes that amended, not ended, for affirmative action -- is very important.

I believe that our proposed rule-making right now on procurement that is out for comment right now will be a very important part of preserving and narrowing, tailoring, as we've been advised by the courts to do, so -- on that front.

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In terms of the others that are around him and have been around him, if you look at our Cabinet, and the people from Rodney Slater to Alexis Herman to Federico Pena that have been here -- and there are many -- a number of others -- that we have a, within the administration, we have a large group, both in the Cabinet and here in the White House.

Elapsed Time 00:26, Eastern Time 13:42

MATHEWS: I think that we think that the president can succeed, I think because he is dedicating himself to it personally. And the other thing I would say is that there isn't a silver bullet. This isn't an easy problem. We recognize it. And we recognize the difficulties that we're going to face in trying to do it.

But we also believe that it is the time, at a time when the nation's in reasonable -- is economically healthy and a time when we're on the verge of some big changes as far as our demographics, that we need to do this. And that's why we're doing it now.

QUESTION: Could you talk a little bit about the process of culling down the list of possibilities for this panel? What was the criteria? And who were some of the people who signed off on these people other than the president?

ECHAVESTE: The process started with a very long list of -- I'd say, probably about 250 names.

Elapsed Time 00:27, Eastern Time 13:43

And what we attempted to do was find people from different walks of life who could contribute both their ideas and the people that they communicate and have contact with. We wanted -- John Hope Franklin, as you all know, is 82. But Suzan Cook is very young.

We wanted to get a mix because part of the initiative will focus on youth. We wanted to get people from different backgrounds.

Suzan comes from a religious background, while Thomas comes from a business background. We tried to get a mix of people in terms of views and perspectives. Governor Winter is a southern governor. Governor Kean is from the north.

And what we tried to do was get a balance of people that represented a number of different things so we could have a good mix of advice going into the president.

QUESTION: Who did you run these names by? I mean, were they among the people who met with the president the other night? Did you run the names by them? Or who exactly signed off?

ECHAVESTE: Some of those people we consulted with early on with our names.

QUESTION: So did you consider people who were just simply opposed to affirmative action or government preference policies? Or I mean, does the president want people who already basically support his premises?